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S. Hrg. 103–814

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HEARING

BEFORE THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

JUNE 14, 1994

Printed for the use of the Committee on Governmental Affairs

U.S. GOVERNMENT PRINTING OFFICE

80–922 cc WASHINGTON : 1994

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-046140-5

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REAUTHORIZATION OF THE FEMA EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM

TUESDAY, JUNE 14, 1994

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 9:34 a.m., in room SD–342, Dirksen Senate Office Building, Hon. Daniel A. Akaka presiding.

Present: Senator Akaka.

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA [presiding]. This hearing before the Senate Committee on Governmental Affairs on reauthorization of the FEMA Emergency Food and Shelter National Board Program will come to order.

Good morning and welcome to everyone. We look forward to a good hearing this morning, and there is no question in my mind that this hearing will be very helpful to us.

The Emergency Food and Shelter National Board Program has been in existence since 1983, providing funds to local communities for emergency food and shelter services as well as homeless prevention activity.

Unfortunately, 11 years after the creation of this program, the need for emergency food and shelter services continues to exist. Two of our witnesses, Dr. Dennis P. Culhane of the University of Pennsylvania and Augusta Hamel of Second Harvest, will testify on their studies regarding emergency food and shelter needs in the United States.

I find the results of their studies shocking. In his study of New York City and Philadelphia, Dr. Culhane found that approximately 1 percent of both cities' populations stayed in shelters in 1992. In its survey on hunger in the United States, Second Harvest found that 10.4 percent of the population—that is, 25,970,319 Americans—rely on food pantries, soup kitchens, homeless shelter and other emergency feeding programs for their meals. That the problems of hunger and homelessness should continue to exist on such a scale is a tragedy.

Luckily, we have programs such as the Emergency Food and Shelter National Board Program to help combat the hunger and homelessness which continue to plague our country. When the Governmental Affairs Committee reauthorized the Emergency Food

and Shelter National Board Program 2 years ago, we found the program to be an overwhelming success. It continues to be a model program for 3 reasons.

First, the EFS National Board Program directly involves the local level. Unlike other McKinney programs, the EFS National Board Program has brought the providers and nonprofit groups together through its local boards. Because the local boards are members of the community, they can target EFS funds to meet the specific emergency food and shelter needs of a community.

Second, the EFS board structure allows funds to filter down quickly to the emergency shelters, soup kitchens and other provider groups in every State. Through its formula, funds are distributed immediately to the local boards. The local boards then decide the best way to use those funds to meet the emergency needs in their community. Last year, within 3 months, EFS had already paid out 95 percent of its funds. By 4 months, the money was virtually gone.

Finally, because each nonprofit organization raises its own separate funds for administration of this program, almost all of EFS' funds go toward the provision of emergency shelter, food, and homeless prevention activities. Last year, EFS spent only 1.4 percent of its funds on administration, allowing almost all of its funds to go toward shelter and food.

However, changes have been suggested for this program. As many of you may be aware, in its budget proposal, the administration has proposed moving the EFS National Board Program from FEMA to HUD. The Committee has received letters upon letters from providers and other nonprofit organizations opposing this proposal. Providers and nonprofits believe that the Emergency Food and Shelter Program is an exemplary program as it is currently administered. Moving the program over to HUD could change the program by risking the principles which have allowed it to flourish in the past. Basically, the sentiment of these groups can be summed up in one phrase: "If it ain't broke, don't fix it."

With the program's past success and the strong objections of the provider community, one wonders why the administration would risk disrupting this program by moving it to HUD.

Finally, at this morning's hearing, we hope to discuss the future role of emergency food and shelter services in the fight against homelessness, specifically in reference to the recently published Federal plan to end homelessness. Clearly, the FEMA Emergency Food and Shelter National Board Program is not the final solution to the problem of hunger and homelessness. It has never pretended to be that final solution.

However, as we begin to focus more on the long-term solutions to and prevention of homelessness, we must be careful that we do not forget about the people who are facing that crisis now. The simple fact is that the EFS National Board Program remains a necessity in facing the national emergency of homelessness, an emergency which has not only persisted, but appears to have grown.

I look forward to discussing these issues with all of our witnesses this morning.

PREPARED STATEMENT OF SENATOR AKAKA

Good morning and welcome to today's hearing on reauthorization of the Federal Emergency Management Agency (FEMA) Emergency Food and Shelter National Board Program.

The Emergency Food and Shelter National Board Program has been in existence since 1983, providing funds to local communities for emergency food and shelter services, as well as homeless prevention activities. Unfortunately, eleven years after the creation of this program, the need for emergency food and shelter services continues to exist. Two of our witnesses, Dr. Dennis P. Culhane of the University of Pennsylvania and Augusta Hamel of Second Harvest, will testify on their studies on the emergency food and shelter needs in the United States.

I find the results of their studies shocking. In his study of New York City and Philadelphia, Dr. Culhane found that approximately 1% of both cities' populations stayed in shelters in 1992. In its survey on hunger in the United States, Second Harvest found that 10.4% of the population—that is 25,970,319 Americans—rely on food pantries, soup kitchens, homeless shelter and other emergency feeding programs for their meals. That the problems of hunger and homelessness should continue to exist on such a scale is a tragedy.

Luckily, we have programs such as the Emergency Food and Shelter National Board Program to help combat the hunger and homelessness which continues to plague our country. When the Governmental Affairs Committee reauthorized the Emergency Food and Shelter (EFS) National Board Program two years ago, we found the program to be an overwhelming success. It continues to be a model program for three reasons.

First, the EFS National Board Program directly involves the local level. Unlike other McKinney programs, EFS National Board Program has brought the providers and nonprofit groups together through its Local Boards. Because the Local Boards are members of the community, they can target EFS funds to meet the specific emergency food and shelter needs of a community.

Second, the EFS Board structure allows funds to filter down quickly to the emergency shelters, soup kitchens and other provider groups in every state. Through its formula, funds are distributed immediately to the Local Boards. The Local Boards then decide the best way to use those funds to meet the emergency food and shelter needs in their community. Last year, within three months, EFS had already paid out 95% of its funds. By four months, the money was virtually gone.

Finally, because each non-profit organization raises its own separate funds for administration of this program, almost all of EFS's funds go toward the provision of emergency shelter, food, and homeless prevention activities. Last year, EFS spent only 1.4% of its funds on administration, allowing almost all of its funds to go toward shelter and food.

However, changes have been suggested for this program. As many of you may be aware, in its budget proposal, the administration has proposed moving the EFS National Board Program from FEMA to HUD. The Committee has received letters upon letters from providers and other non-profit organizations opposing this proposal. The providers and non-profits believe that the Emergency Food and Shelter Program is an exemplary program as it is currently administered. Moving the program over to HUD could change the program by risking the principles which have allowed it to flourish in the past. Basically, the sentiment of these groups can be summed up in one phrase: "If it ain't broke, don't fix it." With the program's past success and the strong objections of the provider community, one wonders why the administration would risk disrupting this program by moving it to HUD.

Finally, at this morning's hearing, we hope to discuss the future role of emergency food and shelter services in the fight against homelessness, specifically in reference to the recently published Federal plan to end homelessness. Clearly, the FEMA Emergency Food and Shelter National Board Program is not the final solution to the problem of hunger and homelessness. It has never pretended to be that final solution. However, as we begin to focus more on the long-term solutions to and prevention of homelessness, we must be careful that we do not forget about the people who are facing that crisis now. The simple fact is that the EFS National Board Pro-

gram remains a necessity in facing the national emergency of homelessness, an emergency which has not only persisted but appears to have grown.

I look forward to discussing these issues with all of our witnesses this morning.

Senator AKAKA. Testifying on our first panel this morning will be Augusta Hamel, executive associate to the president, Second Harvest, Chicago, Illinois, and Dr. Dennis Culhane, of the Leonard Davis Institute of Health Economics, University of Pennsylvania.

I welcome both of you to the Committee and look forward to your testimony. We will include your entire testimony in the record.

Please begin, Ms. Hamel. We look forward to your statement.

TESTIMONY OF AUGUSTA HAMEL,[1] EXECUTIVE ASSOCIATE TO THE PRESIDENT, SECOND HARVEST, CHICAGO, ILLINOIS

Ms. HAMEL. Good morning. I am grateful for this opportunity to testify before the Committee on Governmental Affairs regarding the reauthorization of the FEMA Emergency Food and Shelter Program.

My primary purpose this morning is to help broaden the discourse regarding the issue of domestic hunger. The process to do that here is a brief report on the findings of the recent Second Harvest national research. That landmark comprehensive study on emergency feeding programs in the United States was released here on Capitol Hill on March 8, 1994.

First, permit me to explain what is the Second Harvest network. Second Harvest is the largest hunger relief organization in the United States. It is a nonprofit charitable organization based in Chicago. Through a nationwide network of 185 food banks, Second Harvest distributes hundreds of millions of pounds of food and grocer products to member agencies that operate food programs in every State as well as Puerto Rico and Guam. The 41,587 nonprofit, charitable member agencies that receive food from Second Harvest operate 69,294 food programs that include over 26,000 pantries that distribute groceries and other basic supplies for offsite use; 4,104 emergency kitchens, also referred to as soup kitchens, which provide meals for onsite consumption to clients in need; 5,463 shelters that provide shelter services, including prepared food or meals; 32,791 other food programs that have a primary purpose other than emergency food distribution.

This testimony focuses on those Second Harvest network emergency clients who receive food through the emergency programs, that is, from the pantries, soup kitchens and shelters.

This Committee has asked Second Harvest to address six questions: Who uses these emergency food services? How often do clients use these services? Who distributes these services? Are these services receiving adequate funding? How can the Emergency Food and Shelter National Board Program best serve the need for emergency food services? And last, you asked us to give our opinion of the recent administration budget proposal to move the Emergency Food and Shelter Program from FEMA to HUD.

The first question, who uses these emergency food services. Obviously, all people who receive emergency food assistance cannot be categorized alike, but clear profiles do emerge from the recent Sec-

[1] The prepared statement of Ms. Hamel appears on page 42.

ond Harvest research project. Second Harvest network food programs consist of local people helping local people. Ninety-four point 9 percent of all emergency food clients live in the same county as the programs from which they receive food.

At most, 8.3 percent of food recipients can be considered transient, having lived in the same county for 3 months or less; although a total of 18.1 percent of food recipients are homeless. Eighteen point 1 percent of all network clients are homeless, that is, stated homeless, living in a shelter or mission, a car, van, or recreational vehicle or abandoned building. Another 5.4 percent—in excess of 1 million people—are in potentially marginal housing situations.

Children make up a significant portion of emergency food clients. Second Harvest network serves a projected 10,708,375 unduplicated children 17 or younger; 45.8 percent of pantry clients are children, and 40.1 percent of shelter clients are children. Children account for 15.8 percent of soup kitchen clients.

Twenty-two percent of soup kitchen clients are seniors, which is significantly more than are reflected in the national population of seniors at 12.5 percent.

Females compose the majority of the pantry client respondents. Males compose the majority of kitchen client respondents, and shelter client respondents are fairly evenly split.

Whites comprise the largest group of food recipients at 50.9 percent, but whites comprise 75.6 percent of the total U.S. population.

African Americans and Native Americans are represented in much larger numbers among food recipients than their populations warrant. African Americans comprise 32.9 percent of food recipients, compared to 11.7 percent of the U.S. population. Native Americans account for 2.6 percent of food recipients compared to 0.7 percent of the total population. People of Hispanic origin are represented among food recipients, 11.4 percent, in a slightly higher proportion than their proportion of the overall population of 9 percent.

The second question you asked us to address is how often do clients use these services. Second Harvest network clients can be viewed in three categories: short-term food recipients, 3 months or less, 31.5 percent; medium-term food recipients, 3 months up to a year, 28.9 percent; long-term food recipients, more than a year, 39.6 percent.

The length of time clients need food assistance is increase drastically.

The third question you asked us to address is who distributes these services. Private, not-for-profit agencies, church-affiliated or not, account for 95.3 percent of the pantries, 97.6 percent of the soup kitchens, 97.2 percent of the shelters, and 89 percent of the other food programs in the Second Harvest network.

Church-sponsored programs account for 71.7 percent of the pantries and 70.8 percent of the soup kitchens in the Second Harvest network.

The majority of agencies are small, operating on a shoestring, and these figures are, it seems to me, of particular significance to you as you discuss the FEMA grants. Some 79.6 percent of the food programs operate on $50,000 a year or less, while 71.4 percent op-

erate on $25,000 a year or less. Half of food programs receive a total of $7,272 or less in income. Seventeen point 9 percent, projected to be in excess of 12,000 food programs, are economically threatened, that is, not stable, and soup kitchens are the most vulnerable.

Volunteers are critical to the distribution of food to those in need. The average agency has 58.7 volunteer workers in the past year. Each average volunteer gave 46.9 hours of his or her time.

The 69,294 network agency food programs had volunteer services provided by at least 831,528 Americans, totalling at least 38 million volunteer hours. Using the U.S. average hourly wage of $11.12, we can value these volunteer hours at nearly half a billion dollars.

The fourth question was are these services receiving adequate funding. My response to that question is in terms of the capacity to provide services to needy clients. Our recent research indicates that when food programs were asked if clients had been turned away within the past year, how many had been turned away and for what reason, responses were as follows: 40.3 percent of 3,421 food programs have turned away clients in the past year for any reason. Program administrators were asked if they ever had to stretch out food to be bale to provide food to clients, and if so, how often, and 46 percent of the food programs had to stretch out food in the past year; 14.6 percent had to stretch supplies at least once a month, while the remaining 31.4 percent had been forced to do so at least 12 times in the past year.

Projecting these numbers nationally implies that over 10,000 food programs are stretching food at least monthly.

The average meal distributed through Second Harvest network agencies uses 1.28 pounds of food. The average package distributed holds 23.7 pounds of food. The total current need for additional food throughout the Second Harvest network is projected to be 120,542,610 additional pounds, or an increase of 15.7 percent over the 1992 network poundage of 769,018,532 pounds generated by Second Harvest and the network of food banks and distributed to food programs

The fifth question you asked us to address is how the FEMA Emergency Food and Shelter National Board Program can best serve the need for emergency food services. You will find as part of the written testimony that the FEMA Emergency Food and Shelter Program complements the thousands of grassroots efforts to respond to hunger in local communities. Grants to food banks and their member agencies during the current fiscal year are a total of $4,860,095.

For your information, there is a listing in the written testimony by State of food bank grantees appended to this testimony. These funds are used to fill the gap between donated product and what is necessary to provide balanced nutritional meals. The present process piggybacks on the existing donated product by providing for the acquisition of much needed product. The funds also help defray essential costs of storage, transportation and distribution of food in a cost-effective and efficient system.

The written testimony we have submitted contains observations from food banks that represent patterns in many local commu-

nities, demonstrating both the crucial nature and the cost-effective use of FEMA grants by food banks.

The sixth and last factor you asked us to address is to give our opinion of the recent administration budget proposal to move the Emergency Food and Shelter National Board Program from FEMA to the Department of Housing and Urban Development. Simply expressed: Leave it alone.

The Food Bank of Western New York in Buffalo says: "This system has worked well here for 11 years; run by local people who know local needs. There has been virtually no friction, and administrative costs have been less than 2 percent. Accountability is assured, but reporting requirements are a model of simplicity. Therefore, why is it being changed?

"We have used FEMA funds to feed hungry people whether or not they are homeless. We estimate that half of the recipients are homeless or near homeless. The other half are typical food pantry clientele, that is, low-income people whose resources are so limited that they are constantly vulnerable to being homeless.

"HUD's knowledge of food and hunger is limited. We foresee their preoccupation with housing, not food; with urban concerns, not small town or rural; and with the 600,000 Americans whom Secretary Cisneros categorizes as homeless, not the 36 million who turn for food assistance to Second Harvest food bank agencies every year."

Finally, please consider these facts. The Second Harvest network serves 10.4 percent of the U.S. population annually. In 1992, food provided through that network totalled 769 million pounds; in 1993, 825.8 million pounds.

Food banks are the principal source of food for the agencies within the emergency network. One-quarter of all programs receive 80 percent or more of the food they distribute from Second Harvest network food banks. Yet the amount of food currently being distributed is not enough to meet the present need.

Despite the combined food resources currently available to them, many network emergency food clients of pantries, soup kitchens, and shelters are living on the edge. Eleven point nine percent of all clients eat hot meals rarely or once in a while. Twenty-one point five percent of all clients worry often or always about the source of their next meal. Thirty-two point four percent, almost a third, report that adults in their households have missed meals in the past month because they did not have enough food or money to buy it, including 4.4 percent who missed at least 20 meals in the past month.

Children have missed meals because of lack of food and money in 10.7 percent of all Second Harvest emergency client households.

In the light of this testimony, it is certain that now is not the time to make any changes that may negatively impact on the effective and efficient network of the many charitable agencies that are, for the most vulnerable of our neighbors, the ultimate safety net in this Nation.

Thank you.

Senator AKAKA. Thank you very much.

We would like to hear your testimony now, Dr. Culhane.

TESTIMONY OF DENNIS CULHANE,[1] ASSISTANT PROFESSOR AND SENIOR FELLOW, LEONARD DAVIS INSTITUTE OF HEALTH ECONOMICS, UNIVERSITY OF PENNSYLVANIA, PHILADELPHIA, PENNSYLVANIA

Mr. CULHANE. Thank you, Mr. Chairman. I shall briefly review previous estimates of the size of the homeless problem in the United States in my testimony today and present some new evidence on the scope of the problem and discuss some of the implications of this research for future policy, including the proposed reauthorization of the Federal Emergency Management Agency's Emergency Food and Shelter National Board Program.

In 1982, advocates for the homeless claimed that 2 million Americans were homeless, or 1 percent of the Nation's population. It is important to note that this was not based on a scientific estimate, but that it nonetheless became a widely cited figure on the magnitude of the homelessness problem.

In contrast, the Department of Housing and Urban Development conducted its own survey of local officials in 1983 and estimated that about 250,000 people, or .1 percent as opposed to 1 percent, of the population was homeless at any given time. And HUD's 0.1 percent estimate and the advocates 1 percent set the parameters for the so-called "numbers debate" that then ensued.

A number of local surveys by social scientists have since been conducted that have used more reliable enumeration methods and that have sought to count homeless people in shelters, parks, subway stations, and a range of other public spaces. These studies have consistently found that between 0.2 and 0.4 percent of their respective populations are homeless on any given night. That is higher than HUD's original estimate but lower than advocates' claims.

The exception is a recent study of the District of Columbia's metropolitan area that found about 1 percent of its population over the age of 12 was homeless on one night in 1993.

At least some of the difference between these findings and HUD's original estimate are attributable to their having been conducted several years later, when the homelessness problem was believed to have increased.

Researchers from the Urban Institute conducted a national study in 1987 that estimated that 600,000 people were homeless on any given night, or .25 percent of the Nation's population. This estimate was more than double the HUD estimate in 1983 and reflected both the improved methods of enumeration and estimation, and an increase in homelessness over this period. The 600,000 estimate was accepted by Federal officials in the Bush administration for planning purposes.

Finally, the U.S. Census Bureau conducted the most extensive enumeration ever undertaken of the homeless on "S" night in 1990, finding that 230,000 people were homeless in the Nation's 200 largest cities. Evaluations of the Bureau's effort revealed that many street homeless were missed in the count, but it nonetheless produced the Nation's most comprehensive enumeration to date.

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[1] The prepared statement of Mr. Culhane appears on page 48.

The limitations of this research have not always been recognized, however. All of this research has been derived from cross-sectional surveys of the population. Such research provides a snapshot of the population, of its size and characteristics at a given point in time, and as such is not intended for estimating the magnitude of the problem over time. This method also overrepresents people with long periods of homelessness, such as persons with mental health and substance abuse problems, and underestimates people with short periods of homelessness, such as those facing temporary housing emergencies.

To compensate for these limitations, last year several colleagues and I conducted a longitudinal study of the prevalence of homelessness in two large cities, Philadelphia and New York, using administrative records. Both of these cities maintain central intake systems for public shelters, where clients are registered for shelter in centrally maintained databases and through which their use of shelters is tracked over time. We use these cities' computerized records to document the unduplicated number of people who stayed in public shelters in both cities, unduplicating people by name, Social Security number, and birth date. The results of our study were startling.

We found that while both cities have single-point-in-time rates of homelessness consistent with that reported nationally, between 0.2 and 0.4 percent, approximately 1 percent of both cities' populations stayed in shelters in 1992 alone.

Furthermore, we found that those numbers multiply over multiple years, to greater than 3 percent over 5 years in New York City, close to a quarter million people, and approaching 3 percent in Philadelphia over 3 years, about 45,000 people.

Of course, the risk for homelessness is not spread evenly throughout the population. African Americans were 15 times more likely to become homeless than whites, with 8 percent of New York City's African American population having been homeless at least once in the last 5 years.

Children were also more likely to be homeless than the general population, with 8 percent of the African American children in both of these cities having been homeless in the last several years, or one out of every 12. If we were to include more recent data, we would find that nearly one out of every 10 African American children have been homeless in these two cities since the late 1980's.

It is worth noting that while our study was based just on Philadelphia and New York City, there are converging sources of evidence that support the generalizability of our findings nationally. First, there are other cities and states that now have computerized tracking databases. Martha Burt of the Urban Institute recently completed an analysis of data from 7 additional jurisdictions, including Columbus, Ohio; St. Paul, Minnesota; Los Angeles, California; the States of New Hampshire and Rhode Island; and Louisville, Kentucky, and the San Francisco Bay area. She has calculated unduplicated annual rates of shelter use for these areas, finding Philadelphia's and New York City's 1 percent annual rates to be mid-range between a low of 0.3 percent for the State of New Hampshire and a high of 2.12 percent in St. Paul.

In fact, the only two population-adjusted rates among these jurisdictions that fell below three-quarters of a percent annually are the States of Rhode Island and New Hampshire, undoubtedly because they use the entire State population as their reference point, not just the urban population.

Thus, this new research demonstrates that turnover among the homeless population is significant. Given the known shelter capacity in these two cities and the volume of people who used shelters identified in our study, most people who become homeless must stay in shelters for relatively brief periods of time. We calculate a 60-day average in Philadelphia and a 90-day average for families in New York City.

Indeed, as is clear from those charts, more than 90 percent of the people we identified are no longer in those shelter systems, suggesting that assumptions about homelessness as primarily a chronic condition are far off the mark. Our preliminary analysis of the shelter stay patterns suggests that only about 15 percent of shelter users in Philadelphia annually will stay in shelter for more than 6 months, and that half of the people who use shelters will stay in them for less than 45 days.

These new findings are important not only for what they say about the magnitude and dynamics of homelessness but for what they suggest about the population's characteristics. Because previous research has found that people with disabilities and behavioral problems are homeless for longer periods of time, that would imply that over time, the homeless population is less comprised of such persons than previously thought. For example, while people with severe mental disorders may account for a third of the homeless at a given point in time, as people without disabilities turn over at a higher rate, their proportionate of representation in the population will decline significantly.

This analysis would argue for recognizing that there are at least two major subgroups among the homeless—the smaller, more visible group with chronic disabilities, and the larger, less visible population of persons experiencing temporary housing emergencies. Future research on the characteristics of these two groups is needed.

Nevertheless, the existence of these two subgroups would correspondingly require a two-pronged strategy to address the problem.

First, those persons with special needs who are homeless for long periods of time are quite evidently not being adequately served by the existing system of emergency shelters. More intense efforts to reach out to the street homeless, to stabilize long-term homeless people in transitional housing facilities and to provide them with supported, permanent housing in the community are necessary if we are to reduce chronic homelessness. This is consistent with the continuum of care proposal outlined in the Clinton administration's Federal Homelessness Plan.

Second, those persons who have temporary housing emergencies should not be forced to undergo the disruptions of families, work and education that homelessness imposes before they are eligible to receive intervening support and services. For the short-term and intermittently homeless, both broad-based and more finely targeted

homelessness prevention strategies would better serve them and reduce their costly use of emergency shelters.

As these data suggest, homelessness prevention is essential to any plan to reduce homelessness, and will require interagency collaboration. At the broadest levels, homelessness prevention requires increasing the residential security of poor households through more comprehensive income maintenance protections and through the expansion of affordable housing opportunities.

The prevention of homelessness among vulnerable adults will also require equal protection of persons with mental illness and substance abuse in health care reform. Likewise, improved discharge planning standards for people leaving penal or health care institutions should be applied to reduce the abdication of that responsibility to shelter systems.

Finally, late stage, or secondary prevention initiatives might include more aggressive community-based attempts to assess and divert people who present to the shelter system. Such shelter diversion programs might include emergency cash assistance, eviction prevention, bridge loans or resettlement subsidies, and crisis residential services. Components of such a strategy are already in place in many cities, and a positive evaluation by the inspector general at Health and Human Services documented their cost-effectiveness and encouraged their expansion.

I would also note that a citywide shelter diversion program for families is operating in New York City, where significant cost savings to the shelter system have been documented.

FEMA resources could correspondingly be used to increase the range of preventive services available to at-risk households. Given that our research shows clearly that most homelessness is episodic and time-limited, targeted, prevented interventions could go very far in reducing the deleterious impact of housing emergencies. One potential function of such prevention programming would be to establish linkage programs between homelessness programs and mainstream health, housing and human service providers. Bringing those mainstream providers into the homelessness prevention and housing relocation network would build the capacity to reverse the current flow of people from neighborhoods to shelters to the streets, back in the other direction.

I would like to close by showing you a couple of things that we have been recently doing with the information from these databases. It is not going to be as easy to see from there, but one of the pieces of information that people give the cities when they come into the shelter system is their last address, so that we are able to ask, "Is homelessness distributed randomly in the city, or is there a concentrated pattern?" And here is a map of Philadelphia, which I can show you; the blue dots each represent the prior home of a person who became homeless, and they are quite concentrated—about one out of every four cases actually comes from three contiguous Census tracts in North Philadelphia. There were three holes put in the paper; one is near a public housing project in North Philadelphia, another is in the State prison, so many people were coming directly from the State prison into the shelter system, and another is from another boarding home shelter facility in the city.

Also, I have just brought one of the Census tracts, which we enlarged to dramatize how pervasive the problem of residential instability is in some of these neighborhoods. This particular Census tract has scarcely a block where there have not been two or more cases of homelessness from that block. So that in terms of trying to target prevention programs, we could use research like this to identify the areas in the city where we know people are coming from, because currently, programs require that people come downtown in Philadelphia to get networked into service providers which are located throughout the city, rather than providing services sort of *in situ*, where the homelessness and the crises are actually occurring.

Thank you. I would be glad to answer any questions you might have.

Senator AKAKA. Thank you very much, Dr. Culhane.

I have questions for both of you. Ms. Hamel, in your 1993 National Research Study, you state that, at the most, 8.3 percent of food recipients can be considered transient, that is, having lived in the same county for 3 months or less. Despite the fact that a total of 18.1 percent of food recipients are homeless, what is your view on this statistic? Does this mean that many of your homeless clients can be considered members of the community?

Ms. HAMEL. Quite definitely, and we think that that destroys one of the stereotypes that for the most part, homeless are transient. The problem population that Dr. Culhane referred to, we see that it is a matter of local problems, not people passing through the community.

I also need to caution you that the data in this study refers only to service providers who are members of the Second Harvest network, so there may well be other unidentified people in the larger population.

Senator AKAKA. In your testimony, you state that 39.6 percent of your clients have received Second Harvest emergency food assistance for more than 1 year. Again, what is your view on this statistic, and to what reasons do you attribute this high proportion?

Ms. HAMEL. We find that we are seeing more people who are employed either part-time or full-time at subsistence level incomes, and in some areas, food is the first thing that can go—the rent cannot go, the heating cannot go—so we are picking up the slack of people in our communities that we have not traditionally identified as being in need of emergency services.

I think another stereotype is that the need for emergency food is in the central city. We see increasing numbers in suburbs and in rural areas, too, which is one of the concerns that we have about the grantees under the FEMA program. We would have a concern that the services that are presently being delivered to rural areas may not be continued.

Senator AKAKA. Dr. Culhane, in your testimony, you state that half of shelter users will stay in a shelter for less than 45 days, suggesting that the large majority of homeless are temporarily homeless. How large would you estimate the temporarily homeless population to be, and do the temporarily homeless significantly outnumber the chronically homeless?

Mr. CULHANE. Without question, they significantly outnumber the chronically homeless. I would refer you to the chart. If the homeless population on a single day—which is the top line in both of the cities, New York and Philadelphia—if it were the same people who were homeless every day, for multiple years, that bar would not move. So the fact that it grows so significantly from year to year, across the chart, shows that there is a tremendous number of people who are not homeless on one day in a period, but will experience some episode of homeless over those several years.

So our estimate is that between a 3- and 5-year period, about 3 percent of the population experiences some kind of homelessness, and that at any given time, the chronically homeless may be about one-third of the homeless population, but that over the course of a few years, they decline to between 10 and 15 percent of the population.

Senator AKAKA. Ms. Hamel, in your testimony you include comments from local food banks regarding the importance of EFS funds to respond to hunger in the local community. Food Bank of Delaware stated that funds played a critical role in keeping people with financial difficulties in their own homes. In light of this comment, would you characterize emergency food services as a "homeless prevention activity"?

Ms. HAMEL. Quite definitely, and that is one of the consistent concerns that the 185 food bank directors expressed to us, a fear that the recognition by local communities of the need to prevent people at the edge of becoming homeless from doing so by providing short-term emergency food help may not be part of the definition of the use of these funds.

A strict interpretation of homeless as being these funds should only go to people who are presently without shelter would be detrimental to our efforts to keep people from going into cars or streets or shelters.

Senator AKAKA. Dr. Culhane, did your study give you any indication as to where the shelter clients came from before they arrived at the shelter?

Mr. CULHANE. Yes. We now have clear evidence. We are basically done with some of the descriptive work in Philadelphia and are continuing that work in New York City, and we see very clear concentrations. Folks are really coming from the poorest African American communities in Philadelphia. That is where most of the folks are coming from, as I showed in that map.

I think the evidence that there are very clear concentrations of coming from particular neighborhoods is compelling in terms of making homelessness prevention a higher priority.

Currently, a lot of the programs are structured such that people can only access some of the support services if they enter the shelter system or until they get into the shelter system. So we have designed a lot of creative interventions—transitional housing and things like that—which help deal with chronically needy individuals, but the folks who have temporary need are not really being best served by this system. We really need to create some kind of community-based infrastructural support system that helps reduce the likelihood of housing emergencies or when they are experienced reduces the likelihood of that person having to enter a shelter.

Senator AKAKA. You suggest that prevention programs should establish linkage programs between homelessness programs and mainstream housing, health, and human service providers. Could you elaborate on such linkages, and do you know of any programs which have established such linkages with mainstream programs?

Mr. CULHANE. One of my fears about the problem of homelessness and our approach to creating this separate service system for the homeless population is that we are really creating a service ghetto that is disconnected, really, from the essential agencies that should be providing for these populations to begin with and who have insufficient capacity or are unwilling to serve difficult clientele. They have sort of abdicated some of that responsibility to these emergency programs. So I think there is a legitimate fear that continuing to build the emergency shelter system neglects the agencies that are supposed to be dealing with these issues.

One way that new programs could try to reverse that trend is to make explicit connections between some of these emergency shelter and food providers with some of these more mainstream agencies so that there is some active collaboration, and so that we do not just ghettoize this one set of services and keep it detached from some of the support systems that could help people over the longer term.

In terms of an example of that kind of activity, I think that the shelter diversion program in New York City, while certainly not ideal, is a movement in this direction. The city requires each family who seeks shelter in the city to go back to their income maintenance center, where there is a diversion team that specializes in trying to identify how this particular family could be served by other existing programs, including emergency assistance grants that are available through the AFDC program and identifying other community service organizations that could help folks with landlord-tenant problems and other issues.

So I think that there is some desire in some cities, particularly cities like New York, which spends half a billion dollars a year on homeless programs, to see the shelter system be reduced. I think that as long as there is an incentive for cities to see smaller shelter systems and not larger ones, that one way to do that is to create these kinds of programs that directly link people with community-based providers.

Senator AKAKA. You mentioned the proposal of trying to get people back to wherever they came from. There is an interest in trying to estimate the size of the homeless population Nationwide. You stated your estimation of the homeless population supported by other evidence such as the Urban Institute's analysis of shelter use in seven other jurisdictions. Is it possible to get this Nationwide estimation?

Mr. CULHANE. I think that the estimate that the Clinton administration has used in the Federal plan of 7 million homeless Nationwide over a 5-year period is accurate. Certainly the evidence we have now in these two cities and in these other seven jurisdictions does confirm that turnover is very high and that in fact probably 10 times as many people are in shelter over a 4- to 5-year period as on a given night. If the 600,000 estimate is accurate, as was accepted by the Bush administration, then multiplying it times 10

would roughly put you in the same ball park of that 7 million figure.

So I would say that the 7 million figure that the administration has accepted is as good as we are going to get at the present time.

Senator AKAKA. There is a vote on now, but let me ask you a final question, and it is to both of you. Does your research indicate the emergency needs of people for food and shelter are currently being met?

Ms. Hamel.

Ms. HAMEL. No. There is a large shortfall. And in addition to concern about the impact of decisions about FEMA funds, we are facing a shortfall of an additional 10 percent of product, which is roughly 98 million pounds, from the TFAP program. We find that the emergency network is hard-pressed at this time, and we think that the Government would do well to support those volunteers, the nonprofit community that we have well-documented here.

Senator AKAKA. Mr. Culhane.

Mr. CULHANE. Senator, the emergency shelter systems in Philadelphia and New York—and I have seen recent data from the States of Rhode Island and Washington—are very much overburdened. They are turning away significant numbers of people because of lack of capacity. So clearly, I do not think that the emergency services at this time are adequate.

Senator AKAKA. Well, I thank you very much for your testimony. It will be very helpful to us.

The Chair declares a 10-minute recess.

[Short recess.]

Senator AKAKA. The hearing will come to order.

Again, I want to thank the first panel for their testimony.

Our next panel includes Jacqueline Lawing, Deputy Assistant Secretary for Economic Development at the Department of Housing and Urban Development, as well as members of the Emergency Food and Shelter National Board. Brother Joseph Berg, of Catholic Charities, USA will be delivering the joint statement of the board. Also, sitting with Brother Berg will be Nancy Kennedy and Donald McKee, of United Way of America, and Lt. Col. Eugene Slusher, of the Salvation Army.

I welcome all of you this morning and look forward to your testimony. We will begin with Jacqueline Lawing.

TESTIMONY OF JACQUELINE M. LAWING,[1] DEPUTY ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Ms. LAWING. Good morning, Mr. Chairman.

I am pleased to appear before you today on behalf of the Department of Housing and Urban Development Secretary Henry Cisneros to discuss the reauthorization of the Emergency Food and Shelter National Board Program and the broader issue of emergency food and shelter services, particularly in relation to homelessness.

You asked that I discuss HUD's evaluation of the need for emergency food and shelter services and the role that such services

[1] The prepared statement of Ms. Lawing appears on page 51.

should play in the fight against homelessness. In addition, you asked that I specifically address the importance of homelessness prevention activities, especially in light of the Emergency Food and Shelter Programs increasing emphasis on such endeavors.

This Committee, guided by your leadership, has been instrumental in helping communities across the Nation meet dire emergency food and shelter needs. In fact, the Emergency Food and Shelter Program represented the first direct Federal aid to address the urgent needs of families and individuals which became apparent in the 1980's.

As the Clinton administration states in "Priority: Home. The Federal plan to Break the Cycle of Homelessness," the program was created in 1983 in response to problems and emergencies caused by high unemployment due to the recession of the early 1980's. During the first half of the 1980's, the Federal response to homelessness was largely limited to providing such vital emergency assistance.

Closely related to the Emergency Food and Shelter Program are the six Stewart B. McKinney homeless assistance programs administered by HUD. As you know, addressing homelessness has been designated as HUD's No. 1 priority, and I would like to take a moment to recognize the leadership that Secretary Cisneros and Assistant Secretary for Community Planning and Development Andrew Cuomo have brought to this area during the last 16 months. As a result of this dynamic leadership, the Federal Government's response to homelessness has taken a bold new direction which reflects a clearer understanding of the nature and the extent of homelessness.

As you know, President Clinton issued an Executive order on May 19, 1993, requesting a Federal plan to break the cycle of homelessness and to prevent future homelessness. Following the issuance of this Executive order, an 8-month Nationwide survey and effort was launched. Input was received from 14,000 representatives of State and local governments, not-for-profit providers of services and housing, advocates for homeless people, economic and community development leaders, educators and social service professionals, and currently and formerly homeless individuals and families. The Federal plan reflects the knowledge offered during this process and the collaboration of 17 Federal agencies.

The Federal plan, released by Interagency Council on the Homeless Chair Henry Cisneros and co-vice chairs Secretary of Health and Human Services Donna Shalala, and Secretary of the Department of Veterans' Affairs Secretary Jesse Brown, on May 17, 1994, describes homelessness as the most extreme breakdown of our housing and social service systems. It affects a wide range of populations. These populations, as touched on by Dennis Culhane this morning, can be broadly classified into two categories: those who suffer from crisis poverty and those who suffer from chronic disabilities. Oftentimes, these two categories can be overlapping; one can, of course, be suffering from both.

The first, "crisis poverty," refers to homelessness that may be traced chiefly to ongoing poverty made untenable by some unforeseen development such as a change in family structure, or a job loss, or the inability to meet the next month's rent. The second,

"chronic disability," refers to homelessness accompanied by one or more chronic, disabling conditions such as substance abuse, mental illness, and chronic health problems, including AIDS.

Recent studies have shown that homelessness persists despite the often heroic efforts of thousands of selfless not-for-profit providers, advocates, and others who have dedicated limitless hours and untold energy over the past decade to helping those in need. Researchers have found that as many as 600,000 persons are homeless on any given night, and about 7 million persons experienced homelessness at some point during the latter half of the 1980's. As Dennis Culhane pointed out this morning, what this tell us is that the persons we see on the streets and in shelters every day are not the same individuals day after day, and the 7 million figure over a 5-year period reflects that.

While many programs designated to respond to homelessness have been developed at the Federal, State, and local levels, it is clear to us that as a long-term strategy, they have met with limited success.

The current homeless service system was not planned, but rather, evolved as a result of the uncoordinated efforts of different levels of government, not-for-profit organizations, and foundations. In many instances, the outcome has been a disjointed approach that provides for some needs while not addressing others.

As we achieve a more accurate understanding of the causes and dynamics of homelessness, crisis poverty, and chronic disability, it has become clear that comprehensive community-based efforts are needed to assist those who are now homeless and to prevent future homelessness.

To address homelessness comprehensively, the Clinton administration's plan proposes the development of a local, seamless system of services and housing called the "continuum of care." A continuum of care ensures necessary emergency housing, assessment, and a continuing of housing and supportive services, when needed, for homeless individuals and families to gain independent living or supported living.

There are three fundamental components of the continuum of care system. First, there must be an emergency service system which provides immediate food and shelter, and can identify an individual's or a family's needs. Once their needs are identified, they can either be addressed quickly, by a month's rent or by returning to housing, or they may need more extensive addressing, and that leads us to the second component, which offers transitional housing and necessary social services. Such services include substance abuse treatment, short-term mental health services, independent living skills, child care, day care, and other services.

The third and final component, and one which every homeless individual and family needs, beyond a doubt, is permanent housing or permanent supportive housing arrangements.

It is important to note that all homeless individuals and families in a community will not necessarily require access to all three components. However, unless all three components are coordinated within a community, none will be successful in addressing the overall homelessness situation in that community. A strong homeless

prevention strategy is key to the success of the continuum of care. These two are hand-in-hand.

While several McKinney programs currently support local prevention programs, first and foremost among these is the Emergency Food and Shelter Program.

The emergency component of a community's continuum of care provides for an immediate alternative to the street and assesses the individual's or family's needs. This is an essential component in both addressing homelessness and in addressing the urgent needs of many persons living in poverty.

Clearly, communities are already linking Federal emergency funds, such as those from HUD and FEMA, to their overall homeless efforts. For instance, Friends of the Homeless, a nonprofit organization in Columbus, Ohio, makes use of HUD Emergency Shelter Grant funds to repair an emergency shelter that temporarily houses single adults. The shelter is linked to transitional services which include housing for residents for up to 2 years, and provides an array of supportive services. Friends of the Homeless also provides counseling and placement in connection with permanent housing services.

Lutheran Social Services, a large social service agency here in Washington, D.C., make use of Federal Emergency Food and Shelter funds to provide emergency housing assistance to homeless families and individuals and links that assistance to transitional services such as mental health counseling, family support services, housing placement, and other linkages with community-based programs.

While these are just two of the examples throughout the country that demonstrate how emergency programs are often linked to a larger community strategy, the current array of Federal categorical programs often stymies such coordination.

The Clinton administration is actively pursuing ways to provide localities the ability to create a comprehensive, flexible, and coordinate system of homeless assistance. To that end, HUD, which administers the majority of Federal homeless assistance funds, has proposed to Congress a reorganization of the various McKinney programs currently administered by HUD and a significant increase in the HUD McKinney homeless budget, and the HUD homeless budget in general.

This proposal would reorganize HUD's McKinney programs into a single homeless assistance grant program to States and localities. This proposal would give communities needed flexibility and enable them to fashion a comprehensive system which addresses the needs of different homeless populations in their particular community. It would also ensure the various elements of the system—emergency, transitional, and permanent assistance—be in balance, which under the myriad of categorical HUD programs is just not currently possible. The proposal relies on widespread community support in developing the continuum of care strategy and on the principle that HUD has embraced, that the locality knows best.

In fashioning a comprehensive local approach, a key component of HUD's legislative proposal is that the community would link the resources it would receive from HUD with other Federal, State and local resources.

HUD fully supports the reauthorization of the Emergency Food and Shelter Program. The program uses a unique partnership approach between the Federal Government, board member organizations, and hundreds of local boards to effectively set allocation criteria, establish program guidelines, and distribute funds to social service agencies.

The program has proven to be very successful and will continue to be a major Federal component of the continuum of care.

Thank you again for the opportunity to testify. We look forward to working with you in addressing emergency needs, homelessness, and homeless prevention. I would be happy to answer any questions you might have.

Senator AKAKA. Thank you very much for your testimony.

I now look forward to the joint statement from the board, to be delivered by Brother Joseph Berg. I also welcome Mary Cooper, with the National Council of the Churches of Christ in the USA, and also Nancy Kennedy and Donald McKee, of United Way of America, and Colonel Slusher, of the Salvation Army.

Brother.

TESTIMONY OF BROTHER JOSEPH BERG,[1] ASSOCIATE DIRECTOR FOR SPECIAL PROGRAMS, CATHOLIC CHARITIES, USA, ON BEHALF OF THE FEMA EMERGENCY FOOD AND SHELTER NATIONAL BOARD, ACCOMPANIED BY NANCY MOHR KENNEDY, VICE PRESIDENT, OFFICE OF GOVERNMENT RELATIONS, UNITED WAY OF AMERICA; MARY ANDERSON COOPER, ASSOCIATE DIRECTOR, WASHINGTON OFFICE, NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE USA; LT. COL. EUGENE SLUSHER, DIRECTOR, NATIONAL PUBLIC AFFAIRS, THE SALVATION ARMY; AND DONALD I. McKEE, VICE PRESIDENT, EMERGENCY FOOD AND SHELTER, UNITED WAY OF AMERICA

Brother BERG. Thank you, Senator.

It is my privilege today to represent the board, and I deeply appreciate their giving me the opportunity.

The board is very pleased to have this opportunity to testify today on behalf of the Emergency Food and Shelter Board Program, for a couple of reasons. One, we would like to give accountability for our stewardship over the past 11 years of administering this program. We would also like to thank this Committee and the Chairman for their support over many years and assure you that the people who have been helped also thank you.

In brief, I would like to make a few comments. In the past 11 years since the program started in 1983, the board has met monthly and sometimes even more to ensure a solid program and to carry out the intent of Congress. The intent was very simple—to develop a program that gets food and shelter to people who are most in need, in the quickest possible way, and in areas of highest need. I think we have achieved those tasks admirably, and we have done it with the help of our major agencies on the board, such as the Council of Churches of Christ, USA, the Salvation Army, the American Red Cross, Council of Jewish Federations, and United Way,

[1] The prepared statement of Brother Berg appears on page 53.

and of course, the agency which I am a member of, Catholic Charities, USA.

What we have done is carried out a partnership, through the wisdom of Congress, with FEMA, the Federal Emergency Management Administration, and we have been able to put together a very unique coalition of public-private organizations to provide for a need that is very much needed in this country today.

I feel this program is unique in the sense that we have done exactly what Congress wanted. Congress wanted a very simple, straightforward, fast action committee to address emergency needs. And I stress emergency needs, because we are not a housing program. We offer money for shelter and for food. And as you will notice in our statistics, over 40 percent of our funds go toward food and food service programs.

The heart of this program has been its ability to organize across the country local boards that have similar characteristics of the national board. Working with those local boards, we have also been able to reach out to Government agencies within those communities who have a concern for emergency programs and also other organizations within those communities.

These local boards have been able to advertise and find out where the needs are in a community, to reach out beyond normal social service agencies and touch the small communities, the small churches, the small groups of people who want to reach out and touch the lives of people. I think we have been very, very successful in that; in fact, we have touched over 10,500 of these local organizations that provide necessary shelter and food for people in need.

I think that these local boards have been one of the key factors in making this program successful. I think that to dismantle this kind of program at this time would be very counterproductive.

The statistics that we have amassed over the years, and over spending $1 billion of the Government's money in this critical area—I am not going to go into the numbers—but basically, in answer to one of your questions in the letter, I would say that most of our agencies feel that they have been able to achieve only 51 percent of the needs of their communities.

So the issue is that we have a rising need for emergency services, and we have a program that is able to deliver it. The money is a little bit inadequate, but we have made tremendously good use of the money in the sense that through these local boards, we were able to leverage additional funds and additional workers. When we talk about reaching down to the grassroots and touching small communities, we are talking about touching hundreds of thousands of volunteers who want to come to people's aid.

I want to point out that I would say 80 to 90 percent of those small organizations providing emergency services would not be eligible for any kind of block grant. Many of them are outside the normal social service systems. They are people who want to help other people and who do a lot of the volunteering.

In regard to getting the money out quickly and efficiently, I think I should give credit to our Secretariat, which is staffed by United Way. As you mentioned in your opening remarks, we have been able to move money quickly and efficiently. Sometimes it is a matter of 3 weeks that we can get a check out, after you author-

ize and we get the funds. We also have a very simple accounting method, and that accounting method allows us not only to collect good information from the people whom we supply the funds to, but also a good accountability of every penny they spend. We do this with less than 3 percent overhead, and we are very proud of that achievement.

The bottom line of this testimony, in response to your question, is the nature of homelessness now and the continuing need for service provided through the McKinney Act and others. We do not have the research capabilities in our organization, but we do have contact with thousands of organizations. We do hear from them, and there is a definite need out there. So there is definitely a crisis at the emergency level.

And I want to stress this over and over again. This is not a housing program. This is a program for emergency services. This is the kind of program that touches people at the end of the month, when they have to make a decision about whether to pay the doctor bill, pay the rent, or buy food. These are decisions that people who are living on the edge, the working poor, the people who are chronically unemployed, are constantly making.

The other issue that is of utmost importance for this hearing today is the proposal of moving the Emergency Food and Shelter Board Program to HUD. The board feels very strongly that this is counterproductive and would not achieve any particular goal. The agencies that all of us represent work hard with HUD to achieve their goals of continuing service, or the continuum of care concept. There is no argument with HUD. In fact, we support HUD, and we support their initiatives in the District, New Orleans, Los Angeles, and all across the country.

But the issue is that this is a unique program, it is very simple and very clean, and we feel that at this time, it would be counterproductive to move the program. As you said earlier, and as a number of others have said in their testimony, "if it ain't broke, don't fix it."

If, by any chance, there is some consideration for moving the program—which we hope there is not—we suggest that you seriously consider a dialog with the national board and many of the local boards across the country to see how they would feel about such a shift and a dismantling of their programs.

I want to stress again and again that we are not anti-HUD; we are supportive of HUD. But we feel that definitely, this is a unique emergency program providing a specific service in a specific way through a network that we have worked on for 11 years, and those networks, those groups that we have touched out there, all of them can be of great benefit to HUD in moving along their vision for dealing with homelessness.

I sincerely thank you for the interest and the commitment of this Committee. They have always been devoted to the program. We ask for your continuing support in the future, for future funding.

Thank you. I am open for any questions.

Senator AKAKA. Yes, there will be questions, Brother. Thank you.

I would like to start with Ms. Lawing. Ms. Lawing, in "Priority: Home," which is the Federal plan to break the cycle of homelessness, you propose a two-pronged strategy to fight homelessness.

The first half of this strategy is to expand emergency measures and bring those who are currently homeless back into our communities, work force, and families.

Can you describe the kind of emergency measures that the Federal Government should undertake?

Ms. LAWING. Certainly, Senator. It helps to put it in the context that that would be the first prong. "Emergency" is one word; "immediate" is the other, immediate action steps that must be taken to, as we have said, arrest the hemorrhaging of homelessness that is happening in our communities.

The second prong is long-term, permanent prevention; making our mainstream programs work again in health care and welfare reform, and our other economic development programs, President Clinton's new initiatives in JTPA and economic development, to again make our mainstream programs work as they were originally designed, to ensure that people do not have to turn to the streets and do not have to turn to shelters.

In terms of the immediate action steps, they are multipronged, and the cornerstone is interagency collaboration. The major one coming from HUD is the increase in the HUD budget as well as our continuum of care, which I laid out today. We would move away from the categorical and competitive programs, where we have very little ability to help a community meet what it considers its broad needs from emergency to permanent housing, which are all included in this emergency approach to addressing immediate homelessness.

The continuum of care proposal has been presented to Congress and is currently under consideration in the Senate Banking Committee as well as the House Banking Committee. That proposal would have the three-step system in each locality which is a recipient of our funds. We would work with the local government as well as not-for-profit agencies and providers, many of the same organizations and people who administer this program as well as other programs, in fashioning this system which has all three steps.

Again, as stated in my testimony, it would also have a strong prevention component. We basically say that if you look at a community, you need to assess its needs. Once you have assessed the needs, you then look at the current inventory. Is the inventory mainly transitional housing, with very little emergency, or is it mainly emergency approaches with very little transitional and permanent?

You then take that inventory, and you look at the gaps—the needs minus the current inventory, the current efforts, equals gaps. In order to do that, you are going to have coordination with all the organizations and individuals who are addressing this dire need in communities.

Senator AKAKA. Again, "Priority: Home" states that as part of the McKinney reorganization and reinventing Government effort, the Emergency Food and Shelter Program should be moved from FEMA to HUD. However, the Emergency Food and Shelter Program does not suffer from the problems that the report identifies in other McKinney programs, such as the complicated application process and detachment from the needs of the local community.

Taking this into account, strong provider opposition to this budget proposal, the question is why does the administration believe that the program should still be moved to HUD?

Ms. LAWING. As you know, in "Priority: Home" and the President's budget request, it is the administration's position that the Emergency Food and Shelter Program be transferred from FEMA to HUD. As Secretary Cisneros and Assistant Secretary Cuomo have testified, this was an OMB recommendation that is looking at an overall Government effort to consolidate homeless programs is particular into one area. To ensure that the central linkages are made, it is important to link prevention with emergency with transitional and with permanent.

I might add that if the transfer would occur, it has also been stated publicly that this program would remain operating the same with the national boards and the local boards.

Senator AKAKA. "Priority: Home" recommends that we recognize the positive strengths of the not-for-profit providers in delivering services to homeless individuals and families. As you know, the FEMA Emergency Food and Shelter National Board consists of representatives of every major nonprofit organization. Many people attribute the program's success to the national board's composition.

Do you have any plans to model other programs on the Emergency Food and Shelter National Board?

Ms. LAWING. The proposal we have introduced to Congress does request the formation of boards. However, they are on the local level. The boards would have this broad-based representation. In fact, 51 percent of the board must be local not-for-provide providers and homeless persons and formerly homeless persons.

Senator AKAKA. In its testimony, Ms. Lawing, Second Harvest stated that HUD's knowledge of food and hunger is limited. HUD's focus is on housing issues, not on hunger. For that reason, Second Harvest does not believe that the EFS National Board Program should be moved to HUD. That was also indicated here by Brother Berg.

How does HUD respond to this comment?

Ms. LAWING. Clearly, in addressing homelessness, we very much believe in the continuum of care, the need to link housing, which is always necessary for persons who find themselves homeless, with services, which we believe is essential to most persons with crisis poverty and chronic disabilities who have become homeless.

We are doing the capacity building and working very closely with persons and organizations and other agencies With that expertise to continue to build it. Assistant Secretary Cuomo, who runs the homeless programs at HUD, has extensive knowledge and experience in running the Nation's largest homeless permanent housing and transitional housing for homeless in New York City, which combines services with housing.

Senator AKAKA. Brother Berg, the Federal plan to end homelessness that is "Priority: Home," which we have been speaking about, recommends that emergency measures be expanded to bring those who are currently homeless back into our communities, the work force, and families. You have indicated in your testimony many good things about what you are doing—promoting partnerships, a coalition of public and private organizations, carrying out the Con-

gress' intent on emergency needs, reaching out into the community, and particularly, trying to get to the grassroots. How can emergency shelters expand this scope to address the underlying causes of homelessness, rather than just the symptoms of homelessness? Is it possible for these outreach, drop-in, and shelter programs to accomplish this task under current funding?

Brother BERG. The board had an opportunity to visit many of our programs in Ohio last week, and it is impressive to find that when the local board comes together, this is a discussion. In other words, when you bring a group of people together who are concerned about the needs of people, their imagination goes to work, they do studies like we heard about this morning, they analyze the community and they look toward what can they do. But on the other hand, they all recognize that we are also in a survival area; we are also trying to take care of people who are living on the edge, people who tend to be unemployed or the near-poor, and they are working both sides of the street all the time. So I see out of the suffering one sees, one always tries to work on improving the system and getting people out of the system; and they do it, but they still have to feed the people in the system. They still have to provide emergency shelter.

So this is an ambiguity to have to live with, but all of them represent organizations that do that, above and beyond providing food and shelter to the needy. I do not know what more I can say on that issue. There are two different issues here, and we are recognizing the emergency needs of people right now, and the organizations that we all represent are all working with HUD on the next level, trying to get more and more people out of this problem.

Senator AKAKA. "Priority: Home" also recommends that the Federal Government must focus on the need for homeless prevention. I know that recently, the FEMA Emergency Food and Shelter National Board has been increasing its homeless prevention activities. I have three questions. Why did the board begin to finance homeless prevention activities? What types of activities does the board finance? Would the board characterize these prevention activities as successful?

You did mention that you feel that it was very successful with the over 10,500 local organizations that you touch. Can you answer these three questions?

Brother BERG. I can answer it from the point of view of the local boards, yes. The local boards are constantly looking for windows of opportunity such as the D.C. Initiative, which is a window of opportunity. And if the local board sees that certain agencies should be more involved in the comprehensive program, they urge that. In some areas, like the local board here in the district, we helped the local board get more involved in the D.C. Initiative, thereby trying to generate more interest and move that program along.

So that definitely, the local boards can play a role. They can strategize, and they can move their organizations in different directions and support these initiatives. And they have a role there, but only as supplementary to providing the primary services of emergency care.

Senator AKAKA. Ms. Lawing, under normal circumstances, the Committee would be reauthorizing the Interagency Council on the

Homeless at this time. Unfortunately, the council was zero-funded in last year's appropriations bill.

I have three questions. What is the current structure of the Interagency Council now? Given the Title V and other McKinney Act actions that require coordination, why has HUD deemphasized the Interagency Council on the Homeless? And third, if HUD could work to find $100 million for its Initiative Cities Program, why was it so difficult for the agency to find $1 million for the Interagency Council on the Homeless?

Ms. LAWING. I would be happy to answer all three questions. When Congress defunded the Interagency Council on the Homeless last October, HUD Secretary Cisneros and the President's Domestic Policy Adviser, Carol Rasco, agreed to continue the operations of the Interagency Council on the Homeless. Carol Rasco increased the ICH's visibility by bringing it into the White House. She made it a subworking group of the President's Domestic Policy Council. Her authority allows her to form working groups within the council.

Chairman Cisneros retained chairmanship. Secretary Donna Shalala retained vice chairmanship, and Secretary Jesse Brown at Veterans Affairs also retained co-vice chairmanship.

The council has remained extremely active, and in fact has increased its activities, and the funding has been located at HUD to continue all of these activities. There has been a full council member meeting, which had more attendance by principals—meaning Cabinet officials—than had ever attended a full council member meeting. That was held in the White House in December.

The council staff remains where it was previously housed, which is at HUD, and the Interagency Council regional coordinators, who are out in the field, as you know, remain working on Interagency Council and interagency activities.

The policy working group will meet on a monthly basis, as it always has. This is the group of Federal staff persons and policy people from all 17 of the Federal agencies. There were 18 interactive forums held last year in contrast to five forums before. All 18 included workshops on the title V base closure and title V surplus property initiative, which was advertised with the regular interactive forum.

So we feel that HUD has continued, as well as HHS and as well as Veterans Affairs, to emphasize the importance of the Interagency Council and its activities, particularly with it being held now at the White House, in the Domestic Policy Council. In fact, as I stated, the unveiling of the Federal plan was an interagency activity with all three leaders, as well as Mrs. Tipper Gore, participating in that event.

Because the funds have been located at HUD, it was not necessary in this budget to request more funds.

Senator AKAKA. During the last council reauthorization hearing, Ms. Lawing, providers testified that the one council function they valued most was outreach, specifically, the council publications and regional workshops. Has HUD continued these outreach activities on behalf of the council? If not, who is providing these outreach services? Finally, will these outreach services include information on other programs outside of HUD?

MS. LAWING. Yes, the council has included those services. Again, in the 18 interactive forums, we had representatives from many of the 17 Federal agencies. Representatives from all Federal agencies were invited to attend and get involved in resources and other issues. But because of the vast field staff, that was often accomplished.

I should have mentioned in my previous response that the council has a 14,000-organization and member mailing list, which has not only been continued, but has been added to in this administration, with new names that we have. So it has continued to be built. That mailing list is tapped into often, for not just the Federal plan, but also a five-page Federal plan survey developed by the 17 agencies, asking questions that ultimately led to some of the conclusions in the Federal plan. That was disseminated to that list of 14,000, as well as the information that the Interagency Council on the Homeless would continue under the auspices of the Domestic Policy Council.

So the publications have been continued, some in different forms, and the outreach and technical assistance have been continued and increased through more forums.

Senator AKAKA. Brother Berg, the McKinney Act was amended 2 years ago to require the participation of the homeless or formerly homeless on policymaking boards. Have the EFS local boards complied with the law?

Brother BERG. The local boards are working hard at complying with the law, so the answer is yes. Not all of them have homeless people on their boards yet, but we have an educational program going on, explaining the program, the benefits of having a person on the board, and many of them have responded very positively. Just last week at our meetings in Ohio, we found a couple of very interesting cases. One shelter for homeless women that we visited slowly started to specialize in those with substance abuse, and eventually, one of those persons is now on the Emergency Food and Shelter Board in Cleveland.

So they are working hard at this. It is not easy. We have also had an intern do a study on it. We have taken this very seriously, and we are constantly promoting it across the country.

Senator AKAKA. How long does the EFS process take between the time funds are appropriated and the time the check is in the hands of the local provider organization? How much time elapsed? You mentioned it in your statement that it is pretty rapidly.

Brother BERG. Yes, it is exceptionally rapid. We have a very fine staff, and we have a very sophisticated way of getting money out, and we can get it out within 2 to 3 weeks. We can get a check to a local recipient organization from the national office in that time. And we are getting better and better accountability back from these agencies as well; I want to bring that up, because this again is an educational process. We have spent a lot of time. The staff have gone out across the country and put on little training programs to help people make this program more effective.

You always have to remember that we are not dealing with a lot of sophisticated agencies. We are dealing with small organizations who only want to provide some shelter and some food for people,

and we have to kind of introduce them to good accounting practices, but keep it simple, and get the facts.

Senator AKAKA. I am glad that in your statement also, you state that HUD is not unproductive.

Brother BERG. Oh, no. We are very supportive. Many of our agencies are very active with HUD, and we are very enthused about some of their programs coming down the pike. But that does not preclude dismantling an agency for that purpose.

Senator AKAKA. Ms. Lawing, "Priority: Home" states that homelessness is an extreme form of poverty, and that therefore we should address homeless through mainstream programs such as public housing and Social Security, rather than through programs such as the EFS National Board Program.

When this Committee reauthorized the EFS National Board Program 2 years ago, we discovered a huge increase in emergency food and shelter needs was caused by many States such as Michigan and Ohio cutting off their general assistance programs.

How does the administration anticipate the handling before cuts in these State programs?

Ms. LAWING. Well, as you know, in the Federal plan, we actually point to a series of structural causes of homelessness, seven large structural causes, like lack of affordable housing, poverty. And one of those is changes in income assistance programs such as referencing the general assistance cutbacks as a major structural cause of homelessness.

So again, the way we are addressing it is through a comprehensive strategy which would get at the needs of persons who are currently relying on general assistance and other kinds of assistance.

Senator AKAKA. I thank you very much for your statements. I have other questions for you, and we will submit those to you for your response for the record.

I want to thank you so much, Brother Berg, also, for your testimony and your responses, and thank all those who have accompanied you at the witness table.

Thank you very much.

Brother BERG. Thank you, Senator.

Ms. LAWING. Thank you, Senator.

Senator AKAKA. Finally, last but not least, our final panel today will consist of four local providers who receive EFS funds. Eugene Brady is executive director of the Commission of Economic Opportunity in Wilkes-Barre, Pennsylvania. Barry Durman is president and CEO of Atlantic City Rescue Mission in Atlantic City, New Jersey. Gail Gregory is executive director of the Community Shelter Board in Columbus, Ohio. And Anne Kohler is executive director of the Neighbors Together Corporation of Brooklyn, New York.

I thank you all very much for coming and look forward to your testimony. We will begin with Mr. Brady, please.

TESTIMONY OF EUGENE BRADY,[1] EXECUTIVE DIRECTOR, COMMISSION ON ECONOMIC OPPORTUNITY, WILKES-BARRE, PENNSYLVANIA

Mr. BRADY. Thank you, Senator, and good morning.

I am Gene Brady, the executive director of the Commission on Economic Opportunity, located in Wilkes-Barre, Pennsylvania. The commission is the designated Community Action Agency for Luzerne County.

Throughout its history, CEO has developed a wide variety of programs to meet the needs of the poor in Luzerne County. Presently, the agency operates more than 20 separate programs, all directed toward low-income individuals and families with a goal of increasing their social and economic independence by reducing their dependence on the aid and support of welfare programs.

Our services are in the areas of energy, nutrition, housing, and in-home services. The commission has been designated as the lead coordinating organization for all homeless programs within the county.

Luzerne County is in northeastern Pennsylvania, and in its prime, it was the heart of the anthracite coal industry. Since the decline of the coal industry, the area has depended primarily on apparel manufacturing and the service-producing industries as its major employment. According to the 1990 Census Social and Economic Indicators, the per capita income for the county is $12,002, 17 percent below the U.S. per capita; median household income for the county is $23,600, 21 percent below the U.S. median income. The county's population is 328,000 and it consists of 25 percent of citizens over the age of 60.

Since the inception of the Emergency Food and Shelter Program 12 years ago, the county has received approximately $2.5 million in FEMA funds under this program. Of the county's allocation, the Commission on Economic Opportunity has disbursed more than $1 million of those funds.

Our role in the community as the major provider of emergency services has enabled an objective perspective on the value of these funds and the role this assistance has played in people's lives.

The Emergency Food and Shelter funds represent less than 2 percent of our organization's annual budget, so our experience with other sources of funding is broad and varied, and we have more than two decades of experience in housing programs operating bricks and mortar housing programs, as well as people-oriented housing programs.

The Emergency Food and Shelter Program is not a bricks and mortar program; it is a people program.

In Luzerne County during 1993, we provided comprehensive case management services to 1,704 homeless persons. Our case management program tracks clients from the onset of homelessness, and the reasons for it, until final resolution of the problem, usually, permanent, affordable housing arrangements.

Our success can be documented by the fact that for 49 percent of these people, their homelessness lasted only 1 month; and another 43 percent had secured a permanent housing arrangement

[1] The prepared statement of Mr. Brady appears on page 58.

within 3 months. Only 7 percent did not resolve the problem within a 3-month period.

In Luzerne County, the Emergency Food and Shelter Program funds are also utilized in a preventive manner. Preventing homelessness certainly outweighs the costs, both financially and emotionally, of resolving it. More than 75 percent of FEMA funds spent in Luzerne County is for food, rent, mortgage, and utility assistance to maintain individuals and families in their present housing.

As is usually the case with preventive programs, the success of the intervention is difficult to evaluate and correlate, because the problem does not become manifest. But from our perspective as a service provider, it is evident daily. A major portion of the families we see are in a period of transition—a recent job loss, serious illness, or similar misfortune results in a temporary setback. If short-term assistance is provided, and they are connected to other services, they are soon back on their feet and able to maintain their home.

Very few programs are available that can so directly affect preventing homelessness, that our community depends tremendously on the Emergency Food and Shelter Program. Each program year, our agency alone provides more than 500 families the means to retain their present homes through the Emergency Food and Shelter Program. If this service were not available, these families would have been added to the ranks of the homeless.

We recently completed a study of households receiving FEMA rent, mortgage or utility assistance to ascertain whether the households served in 1992–93 had received the same type of assistance in the prior year—in other words, were the same people coming back year after year? We were very surprised to find out that of 578 households assisted by the commission, only 18 households, 1.4 percent, had received FEMA assistance in a prior year. In our judgment, the Emergency Food and Shelter Program is operating just as it should—not as an ongoing source of assistance, but as a one-time emergency service.

To take this program and move it to the Department of Housing and Urban Development could smother it in bureaucracy and kill its effectiveness and responsiveness. This is not an indictment of HUD; it is just that their way of doing business is so different from the way the Emergency Food and Shelter Program has been administered.

Just to emphasize, this program is an emergency service. HUD handles many initiatives very well. We participate in the Community Development Program, rental rehabilitation, several of the public housing programs, subsidized housing, sections 326, 202, et cetera. But these are housing programs and not people programs. People programs need flexibility and quick responses; needs are different in different areas of the country, and people programs must react quickly to changing needs if they are to remain effective.

The National Board Program has maintained flexibility, responsiveness, and lack of bureaucracy as the program's greatest assets. It has a system in place through the local board structure to react quickly and provides ongoing communication with local communities through voluntary organizations to transfer technology and provide technical assistance in what works well in various places.

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To have HUD assume this program would mean publishing in the Federal Register, comment periods, and then regulations. Let us not institutionalize homelessness. It is an emergency program. Once it becomes part of the bureaucracy, it will be managed, not resolved.

Where else in Government is there a program in which administrative costs total 3 percent, so that every possible dollar goes directly to the people it is designed to serve? I as the program administrator find it surprising that I could be sitting here saying this, because many times, my pleas are for more staff, to save jobs, and to have the administrative money to operate programs. This is not the case for being here today to talk of this program.

My testimony on behalf of this program will not provide any new jobs for our organization, save any existing jobs, or help preserve anyone's empire. Our administrative allowance pays for nothing more than the annual audit of these funds. Because there is no money for staff or administrative support, the Emergency Food and Shelter Program can only work as part of an existing community system. We must utilize the structures that are already in place because there is no staff or program support.

The levels of efficiency and effectiveness enabled by this program are solely a result of the public/private partnership which has been forged by the national board and replicated to the extent possible on the local level. This network has fostered local priority-setting, responsiveness, flexibility, and impact. Local boards are charged with monitoring program services and expenditures; the board can reallocate funds if needs change within the program year, and the structure has made the Emergency Food and Shelter Program an inclusive rather than exclusive community program.

Each program year provides a fresh opportunity to assess community needs through a coalition of relevant local organizations, those closest to the need. Institutionalizing the program brings with it a cookie-cutter approach: Program directors report to regional directors; regional directors report to deputy directors; deputy directors report to assistant secretaries, and so on. There can be no advantage to changing the auspices of the program as far as we are concerned, so if it is not broken, why fix it? I think that has been said three times today, Mr. Chairman.

I also wish to speak to the responsiveness of the national board. In addition to the excellent communication system, highlighting potential problems and offering suggestions on changing needs, which I mentioned earlier, they have made accommodations for smaller, more unique local needs by offering States an opportunity to provide funds to areas that the formula does not address through the State set-aside component.

In October 1989, Luzerne County did not qualify according to the formula for funding. To our surprise, other areas of the State with less poverty and less unemployment did. Acting on our appeal, the national board requested the State to offer special consideration to the county in allocating funds until they could determine the reason for our exclusion. Upon investigation, the national board found that they were inadvertently utilizing an unpublished threshold of a 25,000 work force. Even though the county exceeded the minimum number of unemployed required to qualify because of its high

elderly population, it did not meet the work force minimum. As a result of this discovery, the national board eliminated this part of the procedure, and by January 1990, the county again was receiving an allocation. We were impressed with how approachable and reasonable the national board and the FEMA staff were, and especially with how quickly they responded.

In conclusion, flexibility and responsiveness are two of the key attributes of this unique public-private collaboration, and they must be retained. In our judgment, the national board and the staff that administer the program have justified the confidence that Congress has placed in them over the past 11 years. The program has a track record of being effective and accountable. There are no compelling reasons to fundamentally change a creative and successful program.

Please, do not institutionalize homelessness. We need to work to resolve it.

Thank you for the opportunity to present these comments.

Senator AKAKA. Thank you, Mr. Brady, for your testimony.

We turn now to Barry Durman, President of Atlantic City Rescue Mission.

TESTIMONY OF BARRY DURMAN,[1] PRESIDENT AND CEO, ATLANTIC CITY RESCUE MISSION

Mr. DURMAN. I am Barry Durman, and I have been the president of the Atlantic City Rescue Mission since 1989. I have worked with the homeless population of Atlantic County for 8 years, and with alcohol and drug-addicted people for 9 years prior to that. I count it a real privilege and am honored to be asked to present this testimony regarding the Federal Emergency Management Agency's Emergency Food and Shelter National Board Program.

It is through the generosity of Peter Boynton and Caesar's Casino Hotel of Atlantic City, who paid our travel expenses, that I am here today, and I mention that to comment on the fact that we are not taking allocations that are used for the homeless to provide for this travel.

Atlantic County is a unique yet exciting environment in which to serve homeless people and to observe and evaluate the usefulness of programs such as the FEMA Emergency Food and Shelter National Board Program. Because of the nature of Atlantic City, a tourist destination focused on the gaming industry, it is a microcosm of the world. Comprehensive, interagency cooperation is used to meet the overwhelming needs.

We are in a city with a population of about 34,000, where the Rescue Mission provides service to over 300 people each day. The FEMA Emergency Food and Shelter Program serves to enhance the area agencies' ability to meet the overflow needs. It also provides resources to prevent substantial increases in the numbers of homeless through rent, mortgage, and food subsidies.

In the opinion of the members of the Atlantic County FEMA Board, the system is working well. They are very vocal that any change in the system or in its oversight at this point in time would only decrease the efficiency and effectiveness of the program.

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[1] The prepared statement of Mr. Durman appears on page 61.

The Atlantic City Rescue Mission opened 30 years ago, with 12 beds in a storefront facility. At the onset of casino development in Atlantic City, the need for additional shelter space grew measurably. The growth pattern of the mission matched the growth in the numbers of visitors to the city; there was a 10 percent increase in our homeless population as each casino opened.

With no casino expansion in recent years, we have seen our numbers follow the trend of the tourist trade.

Endeavoring to serve the homeless, we strive for excellence in all we do. This is achieved through high accountability to our donors—66.7 percent of our income—to our contractors—29.5 percent—and to those who provide the public funds—3.8 percent—we use.

More importantly, it means careful use of all of our resources—money and staff—by serving only those who want the help we provide. Our procedures include a 10-day initial service period during which we counsel the client and confer with other social service agencies. We then develop a mutually acceptable plan to meet their need. If they do not demonstrate a desire for help, through following referrals and a willingness to enter a program, et cetera, we curtail their services at the mission.

In reviewing our statistics, we see that at any point in time, 55 percent of our client base falls into this group. The other 45 percent are individuals we can and will serve in an excellent manner. Included are those who are mentally ill and/or disabled and who need intensive case management. Also included are those who demonstrate an addiction to drugs, alcohol or gambling, but are willing to enter treatment and rehabilitation.

The chart included in the printed version of this testimony shows how we move people from homeless and unemployed to housed and employed through our in-house programs of rehabilitation, work readiness, and programmed employment.

Referrals to other sources of help are managed through the Homeless Interagency Coordinating Council. This was established 2 years ago to handle the process of moving clientele through the maze of social service agencies. The Atlantic City Rescue Mission shares the HIACC and is the gateway agency for the system. It connects clients with agencies whose specialized services can focus on the needs of the individual.

The next step which is being developed is a county-wide interactive computer network. This will enable each agency to access previously compiled information on an individual without duplicating interview time, and matching resources with the need in a more timely manner. Each agency effectively becomes a one-stop shop.

Our experience with the FEMA Emergency Food and Shelter National Board Program began in 1989. We currently use the funds allocated to us to provide mass shelter nights. We are paid $10 per night per person. This covers 44 percent of our actual cost per person. As you can see in the chart included in the printed version of this testimony, the number of people who benefit from the FEMA grant is a small percentage of the total people sheltered; however, they are people who would not be served if the grant were not available.

County-wide involvement with the FEMA grant, in addition to the Atlantic City Rescue Mission, includes the Salvation Army, the Community Food Bank, and the Atlantic County government. Through the Coordinated Emergency Assistance System, a network that the Atlantic County government uses, the FEMA grant provides shelter for families in emergencies, rent, and mortgage payments. These prevent homelessness, and food baskets prevent hunger.

The Community Food Bank allocates their grant to the account of agencies who have food pantries, including the county, the Salvation Army, and the Rescue Mission. This facilitates the provision of food for family food baskets to those at risk of homelessness. The Salvation Army provides shelter for eight people per night. In no way do the FEMA moneys cover the entire need. However, there are many individuals helped because we have it.

As I polled various FEMA local board members and grant recipients, they all had the same answer, and here it comes again: "If it is not broken, do not fix it." What this says is that they are well-pleased with the FEMA/United Way/local board administration of the program. They feel the present structure provides the ability to be flexible and responsive as needs arise and change.

I also heard many comments which reflected concerns about the bureaucracy of the Department of Housing and Urban Development. Many of us have had experiences with HUD and their interminable paperwork, time-consuming audit processes and many levels of administration, which all point toward a slow and cumbersome program. Our opinion is that the Emergency Food and Shelter National Board Program should stay under the Federal Emergency Management Agency.

Thank you.

Senator AKAKA. Thank you very much, Mr. Durman.

We will now hear from Gail Gregory.

TESTIMONY OF GAIL GREGORY,[1] EXECUTIVE DIRECTOR, COMMUNITY SHELTER BOARD, COLUMBUS, OHIO

Ms. GREGORY. Thank you, Mr. Chairman.

My name is Gail Gregory, and I am executive director of the Community Shelter Board, a public-private partnership that coordinates the planning, funding, and services for homeless persons in Columbus and Franklin County, Ohio.

I was pleased to be here for the earlier testimony and to hear Dr. Culhane cite Martha Byrd's study. We worked quite diligently with her in learning better and new ways of knowing whom we are serving; and then Ms. Lawing highlighting one of the many agencies that we fund, Friends of the Homeless.

I am energized and pleased with the current initiatives to streamline HUD's funding process. HUD's efforts to consolidate its grant-making options will give local communities the control and flexibility they require to meet their unique community needs.

This local control is a welcome change. It will enable the Columbus community to better address real community priorities, similar

[1] The prepared statement of Ms. Gregory appears on page 64.

to the way Emergency Food and Shelter National Board Program funds are now utilized.

The Emergency Food and Shelter National Board Program is an efficient and effective Federal program. Its success lies in its foresight to allow funding of prevention programs, its high local community involvement and control, and its flexibility to fill funding gaps.

In Columbus and Franklin County, the funds are allocated by a voluntary community board. As with similar boards around the country, this board exemplifies the bottom-up communication approach to meeting community needs. The local board is staffed by the area's United Way and is composed of influential community leaders, interested community members, representatives from local nonprofit agencies, and consumers. In order to meet area priorities, the local board has historically allocated 80 percent of the funds toward fighting homelessness and 20 percent to support the local food bank.

The 80 percent of the Emergency Food and Shelter National Board Program funds used to fight homelessness are not used as Band-Aids that prolong a household's housing crisis. Instead, the dollars are used to fight homelessness by preventing it.

The Emergency Food and Shelter National Board Program funds are one of the few flexible Federal grants a local community can award to prevent homelessness. Last year, our community's local board allocated approximately $300,000 to keep 941 households housed. Our program provides households at risk of homelessness with 1 month of rent or mortgage assistance. This financial assistance keeps these households from becoming homeless while they wait for a first paycheck, SSI procurement, a pension payment, or while they recover from a financial setback such as a loss of job or an unexpected emergency.

Sixty thousand dollars of this $300,000 allocation was used to leverage in excess of $270,000 locally to create an intensive Homelessness Prevention Program that has changed the paradigm of service in the Columbus area. This program, which served an additional 790 households last year, started when the community realized that many low-income households needed more than just 1 month of financial assistance to get back on their feed. Our local Homelessness Prevention Program can provide up to 3 months of rent, mortgage and utility assistance so that these households are able to permanently become self-sufficient.

The program also involves intense case management services which include tenant-landlord mediation, home management and budgeting classes, substance abuse counseling, advocacy and outreach services, that address the causes of the household's crisis.

These prevention programs offer immediate, practical, and cost-effective solutions to fight homelessness. They save the community money by decreasing the need for additional emergency shelter beds and facilities. Furthermore, by implementing prevention strategies, the program reduces the cyclical effects of homelessness.

The results of the program are measurable. While many cities are increasing their supply of shelter beds, Columbus has maintained its number of emergency-type beds at the 1991 level. Additionally, 87 percent of the clients responding to a client service

evaluation said that after receiving assistance, their household problems "became less." In their comments, some of the clients said: "You just do not know how thankful I am. Words cannot say it. If it had not been for FEMA, I would not have made it. I was at the end of my rope."

"If it had not been for people like you who care, we would have been out on the street."

"It helped keep my landlord and me in good standing, with a roof over my and my kids' heads."

The remaining 20 percent of the funds, or nearly $72,000 last year, are allocated to the local food bank to purchase food products that have not been donated or that are critically needed. The food bank system in central Ohio is extremely strong. However, from January through April, the system is significantly drained and requires financial assistance to maintain necessary food supplies.

You can see that the program's efficiency and effectiveness lie in its foresight to fund prevention programs, high local community involvement and control, and its flexibility to fill gaps in funding. Its efficiency and effectiveness also lie in its low administrative costs. Only 2 percent of the funds that our community receives are used for administrative expenses. The administrative cost of the program in Franklin County is slightly over $7,000 a year. While an administrative fee of this size is not recommended for most Federally-funded programs, the 2 percent administrative fee has been manageable because the community can choose its local fiscal agent and administrators, and weave the program's administrative costs into other similar programs. This saves the Federal Government millions of dollars in administrative costs Nationwide.

Overall, the Columbus community's experience with the Emergency Food and Shelter National Board Program has been very positive. The Columbus community, however, is impartial at this time about moving the program to the Department of Housing and Urban Development as long as the intent of the program remains the same.

However, if the move entails program changes that would include specific funding guidelines, such as a requirement stating that so much percentage of the allocations must be spent on food or shelter, or if the Emergency Food and Shelter National Board funds could no longer be leveraged with other Federal funds, or if local control is taken away, the change could be disastrous, as the program will lose its bottom-up approach, which makes it so effective and efficient.

The Columbus community, like many other communities across the country, has a strong and accountable track record of using these funds to appropriately address real community needs. The Emergency Food and Shelter National Board Program is an excellent model of a Federally-funded program that has been developed and implemented locally to address community funding priorities. It is actually an archetype of the bottom-up approach to meeting individual community needs that Washington heralds and we see illustrated in the move to reinvent HUD's homeless programs.

As you continue your work to evaluate this program, please remember that the program's process—local control, flexibility, a bottom-up approach, and its ability to be leveraged with other Federal

funds—is what makes the program's outcomes so effective and efficient. With all of its original intentions left intact, this program should be reauthorized by Congress and exemplified as a model for other programs.

This was a brief overview of our homeless prevention program. It has taken our community several years to develop and successfully implement these programs.

I would be happy to answer any questions you have.

Senator AKAKA. Thank you very much, Ms. Gregory.

Now, we will hear from Anne Kohler.

TESTIMONY OF ANNE KOHLER,[1] EXECUTIVE DIRECTOR, NEIGHBORS TOGETHER CORPORATION, BROOKLYN, NEW YORK

Ms. KOHLER. Good morning, Mr. Chairman.

My name is Anne Kohler, and I am the executive director for Neighbors Together, which is the second-largest emergency feeding program in Brooklyn, New York. I am here to tell you about the crisis of hunger that is going on in New York City, to describe the emergency feeding program I work for, and to hopefully share the experience of hunger and suffering that I see people going through every day.

The letter that I received from the Committee asked me to describe specifically the impact that the Emergency Food and Shelter Program has had in the fight against homelessness and the repeated message about service for feeding the homeless.

A very, very important point I must make right up front is that hungry people are not necessarily homeless. Many are working poor, recently unemployed; they pay rent, but they cannot afford to put food on the table.

The gross increase in hunger is still generally regarded as a secondary problem, coinciding with homelessness. I feel safe in saying that almost all homeless people are hungry. But let me make the distinction here and now that all hungry people are not homeless.

Finally, I would like to convince the Committee on Governmental Affairs to not only reauthorize the FEMA Emergency Food and Shelter Program for the 1995–96 fiscal year, but to reauthorize it at a much higher level.

In New York City, the crisis of hunger has risen an incredible 2,500 percent in a decade. In the same period, the FEMA emergency food and shelter funding levels have increased by only 210 percent—10 times less than the need.

There is a record number of New Yorkers on food stamps and public assistance, well over a million, and an additional half a million who are eligible. Total combined Government funding—Federal, State and city—for an emergency meal in New York City is 28.78 cents per meal. The average cost of a meal was $2. Simply put, the loss of FEMA emergency funds would have a devastating effect on the already overburdened New York City emergency feeding network.

I will give you a brief history now of Neighbors Together. Neighbors Together is a private nonprofit corporation which opened their

[1] The prepared statement of Ms. Kohler appears on page 66.

soup kitchen doors 13 years ago by a group of Catholic nuns. They felt it was imperative to address the tremendous poverty in the Brownsville, Bedford-Stuyvesant, East New York, and Bushwick areas of Brooklyn.

In the first week of operation, the sisters fed 76 people. Today, we feed an average of 2,500 meals a week—an increase of over 3,200 percent since 1982.

Operating from a former storefront bakery, the soup kitchen serves from 400 to 1,000 people each week day. In 1992 and 1993, Neighbors Together provided 110,000 meals, with a budget of $155,000, two paid staff members, and one stipend volunteer.

The accommodations are less than ideal. Pipes leak. Clients have about 6 minutes to eat. The old and the young and the handicapped wait in line in the stifling heat, in the bitter cold, in the rain, for sometimes up to an hour, because the soup kitchen can only accommodate 24 people when it is filled to capacity.

Like most soup kitchens and feeding pantries, we are sorely understaffed and underfunded. We lack adequate space, proper equipment, and basic resources. We continuously operate in an atmosphere of uncertainty as to where the finances will come from. This scene is replicated throughout the emergency feeding network of New York City.

The role of the emergency food and shelter services in the fight against hunger. The New York City hunger crisis is now over 13 years old. A grassroots network of soup kitchens and food pantries became the main response to growing hunger. In 1981, there were 30 emergency feeding programs. Today, there are over 750 in New York City.

These programs now provide 35 million emergency meals a year. Soup kitchens and food pantries represent a final, thin, overburdened line of defense against a hunger crisis. And still we turn people away. A 1992 survey found that New York City soup kitchens and food pantries were forced to turn away 38,000 people and families per month for lack of food and other resources. For these New Yorkers, there was no soup at the soup kitchen.

The impact the FEMA Emergency Food and Shelter Program has had on Neighbors Together. FEMA's Emergency Food and Shelter Program is a critical component of supplemental funding to Neighbors Together. Our organization utilized FEMA's Emergency Food and Shelter Program to supplement and extend our ongoing services. Our 1992–93 award was $34,052, and it enabled our soup kitchen to serve an additional 17,543 hot meals—meals that otherwise would not have been served.

Another very important component is that our FEMA funds enabled us to supplement our meals with fresh fruits and meats at least once a week. FEMA XII will enable our soup kitchen to serve an additional 19,322 meals in 1994.

It is important to note that hunger is one of the most underfunded social crises we have in the United States. Over the years, FEMA has been a major source of income for New York that has allowed us to partially meet the ever increasing needs. The program has been consistent, reliable, and timely. However, again I want to mention that the FEMA supplemental funding levels have not kept up with hunger in New York City.

What kind of impact would lost funds have? The lost funds to this specific organization would be devastating, and the numbers of meals served and the days of operation would be dramatically reduced. Families and individuals would be forced to lower their consumption of food, or seek out alternative means to obtain enough food for themselves and their families. We would have to reduce our services by about 24 percent, which means that we would have to serve 26,500 fewer meals per year. In other words, we would have to shut down the soup kitchen 2 days a week, thereby reducing our days of operation to 3 days per week.

We would also have to make cuts in the amount of fresh fruits and frozen vegetables. This would have an immediate and disastrous effect on the people we serve.

The cost factor: neglecting our Nation's future. In my position paper, I have statistics and analyses that discuss the cost savings to this Nation by ensuring that no one goes hungry in the United States. The cost of nutritional deficiency is in the long run much more than the cost of eradicating hunger. For every dollar spent feeding a hungry mother or child, the Government can save $4 it now spends on costs related to the health problems low-birthweight infants and malnourished children. Undernutrition results in lost knowledge, brain power, and productivity for the Nation. Our Nation's children's brains are not developing to their full potential. The correlations go on.

Finally, to comment on the administration's budget proposal to move the Emergency Food and Shelter National Board Program from FEMA to HUD. A vast knowledge of HUD's internal operations is not necessary to predict that hunger may be pushed off the plate when competing with homelessness and housing.

There is also the fear that the administrative work involved in the new grant-writing process would eliminate additional grassroots organizations from applying for funds due to lack of staff available to work on the proposal. The current proposal-writing guidelines for FEMA are relatively simple. Given the relatively small staffing and shoestring budgets that soup kitchens operate on now, we would have a very difficult time administratively.

The increase in numbers is evident. The cost of neglect is dear. Please respond to the social decline of our cities' and country's poorest members. Please reauthorize FEMA funding for emergency food and shelter at a higher rate for the 1995–96 fiscal budget.

Thank you.

Senator AKAKA. Thank you very much, Ms. Kohler.

As I said much earlier, your full testimonies will be included in the record. I will also offer questions for the record for you to answer, but let me ask all of you these two questions.

Does the Emergency Food and Shelter Program offer the flexibility you need for addressing different problems in your respective communities?

Mr. BRADY. I could speak for our community and say that because there is flexibility, and it is a local decisionmaking process, it really involves those people in the community who are helping organizations, sitting down and deciding how they are going to use the amount of money that is given. Obviously, we could use more money because the problem is so severe, but the question of the

flexibility of the money we have is one that the answer is yes, it is quite flexible.

Senator AKAKA. Mr. Durman.

Mr. DURMAN. I echo that sentiment. I think the people who are making the decisions are the ones who have their fingers on the pulse of the needs, as they are at the time of the decision, but also how they change. I think that flexibility is the question you are asking, and I would say yes, we do.

Senator AKAKA. Ms. Gregory.

Ms. GREGORY. I can add to that and give you another example of the flexibility we have used locally. Several years ago, part of the local money was used by the shelters to support motel rooms in lieu of shelter on an emergency basis. We were able to make a point to the local board that essentially, if we looked at a little bit larger pot of money than they were putting into motel rooms, and looked at the prevention side of it, we could begin to have the shelter programs themselves operate differently. It has made a large difference.

There is always strong dialog about the need for food and shelter, and it is one of the more interesting dialogs to watch, because everything is on the table, and in the end, it is consensus. One of the strongest comments I got before coming to Washington this morning was from one of our council members, who also is executive director of the Mid-Ohio Food Bank, and if I paraphrased him, it would be the 6th or 7th time—"It is not broken, Gail; do not make them fix it."

Senator AKAKA. Ms. Kohler.

Ms. KOHLER. I would like to see—my agency, unlike the rest of the agencies, is specifically emergency feeding, and I would like to see more flexibility with funding because we often are not able to deliver the meals, because the money is allocated specifically to purchasing food and supplies; and we have enough money to buy the food, but it costs money to prepare a meal, to serve a meal, to pay for the overhead, and hunger is so underfunded that I would like to see more money allocated to the administrative work and maintaining the soup kitchen.

Senator AKAKA. Thank you.

Another question is whether the funding is adequate, but I think you have all answered that. But another part to that question is how many people are turned away due to lack of funding or other resources?

Ms. KOHLER. Specifically in our program?

Senator AKAKA. Yes.

Ms. KOHLER. Because of our small budget of $155,000 a year, we pride ourselves in saying we never turn anyone away, but we limit our hours of serving from 11 a.m. to 2 p.m., and that is how we can say we never turn anyone away.

There are people who come to me every day and ask for food, beg for food, and I do not have food to give them. The New York City Coalition did a study that said that the combined emergency feeding programs, 750 in New York City, were turning away 38,000 families and individuals per month.

Senator AKAKA. Ms. Gregory.

Ms. GREGORY. I could not say how many are turned away, but I do know that the demand continues to increase. I do know from working with a variety of shelter providers that they are stretched beyond their limits. We as a community like to say no one is turned away if they ask for it, but it would not take much to imagine that a lot of people do not ask because they do not believe it is there, or they feel guilty because someone else might be more worthy than they are.

Clearly, every community across the country is facing various versions of the same crisis. It would be foolish to think that we did not need to do more.

Senator AKAKA. Mr. Brady.

Mr. BRADY. In our community, what happens is the money runs out, so there are several months of the year, once that is exhausted, when people do not receive help; it is not available. So that without question, there is a need for a greater amount of resources.

Senator AKAKA. Mr. Durman.

Mr. DURMAN. What I have to say is similar to that in that all of us involved in the emergency services that we are in tend to be trying to fill the gaps, and there are areas of service that are just not available, other areas that are significantly underfunded. I think that is where people are not necessarily turned away, but are not having their needs met in the way they need to have them met.

Senator AKAKA. I have received the message from all of you present at the table that the present National Board of FEMA has been responsive, has been effective and even accountable. I think that that is your feeling; Mr. Brady expressed that sentiment, as did Mr. Durman—that the system works well.

And Gail Gregory touched on flexibility that fills the gaps in funding, and talked about the low administrative costs and that the EFS National Board Program is excellent and is a model for funding.

And Anne Kohler has a huge problem, as all of you do out there, and needs a higher funding level.

But I thank you for the message. That is the reason for this hearing today. We are going to have to carry the message from here. This is a huge problem in our country, no matter where it is, including Hawaii.

I thank all of you so much who have come to testify today for your efforts with this problem. We just hope that we can get to a point where we can lessen the problem and find some way to do that.

I thank you so much for coming and thank all of you who have participated today.

The Committee stands in recess subject to the call of the Chair.

[Whereupon, at 12:11 p.m., the Committee was adjourned.]

APPENDIX

PREPARED STATEMENT OF CHAIRMAN GLENN

I would like to thank my good friend, Senator Daniel Akaka, for chairing this morning's full Committee hearing on the reauthorization of the Federal Emergency Management Agency (FEMA) Emergency Food and Shelter National Board Program.

The FEMA Emergency Food and Shelter (EFS) National Board Program has been funding local emergency food and shelter services needs since 1983. Eleven years later, one would have hoped that the problem of hunger and homelessness in America would have been solved. The sad truth is the emergency continues to exist.

1 am a bit torn about this reauthorization hearing. On the one hand, I find it unfortunate that we have to continue to authorize programs that provide emergency food and shelter services. However, on the other hand, as long as the need exists—and it does—programs as successful and efficient as the EFS National Board Program will continue to exist to house and feed the millions of needy Americans.

When this Committee reauthorized the FEMA Emergency Food and Shelter National Board Program two years ago, we found that the program had been successful for several reasons. First, EFS has been able to bring nonprofit groups and Government agencies together. Second, this close relationship has allowed funds to be distributed quickly to the providers. Finally, none of EFS's funds go toward administrative costs since each nonprofit organization raises its own separate funds for administration.

As many of you may be aware, a change in the EFS National Board Program's administration has been suggested. In its budget proposal, the Administration has proposed moving the EFS National Board Program from FEMA to HUD. I have received much correspondence from the provider community opposing the Administration's proposal. These providers, who have had nothing but glowing remarks about the program, fear that the elements which have contributed to the program's success could be lost by moving it to HUD. I know several of my colleagues, such as Senator Christopher Bond, have expressed their objection to this proposal. Because the Administration offered its proposal in the Fiscal Year 1995 budget, the Governmental Affairs Committee will not have an opportunity to vote on the Administration's proposal at this time. However, I hope that we will have a thorough discussion of the proposal at this morning's hearing.

Finally, I want to make one brief mention of the Interagency Council on the Homeless. Normally, the Governmental Affairs Committee would reauthorize this program along with the EFS National Board Program. However, last year, the House and Senate Appropriations Committees chose to zero-fund this program. Fortunately, the Council has reformed under the White House Domestic Policy Council so that many of the Council's vital functions—particularly, the communications sent to providers—can continue. As part of general oversight of the Council, I hope that some of our witnesses can illuminate us as to what has happened to the Council since it moved to the White House.

I hope that this morning's hearing can explore all of these issues. I look forward to the testimony of all of the witnesses.

PREPARED STATEMENT OF AUGUSTA HAMEL

Good morning, I am grateful for this opportunity to testify before the Committee on Governmental Affairs regarding the reauthorization of the Federal Emergency Management Agency's Emergency Food and Shelter Program. My primary purpose this morning is to broaden the discourse regarding the issue of domestic hunger. The process to do that is a brief report on the findings of recent Second Harvest National Research. That landmark comprehensive study on emergency feeding programs in the United States was released here on Capitol Hill March 8,1994.

WHAT IS THE SECOND HARVEST NETWORK?

A non profit, charitable organization based in Chicago, Second Harvest is the largest hunger relief organization in the United States. Through a nationwide network of 185 food banks, Second Harvest distributes hundreds of millions pounds of food and grocery products to member agencies that operate food programs in every state, as well as in Puerto Rico and Guam. These 41,587 non profit, charitable agencies operate 69,294 food programs that include:

- 26,936 pantries that distribute groceries (non-prepared foods) and other basic supplies for off-site use, usually for preparation in the client's home.
- 14,104 emergency kitchens, also referred to as soup kitchens, which provide prepared meals for on site consumption to clients in need. Those clients do not live on agency premises.
- 5,463 shelters that provide shelter services, including prepared food or meals, on a short term basis to clients in need.
- 32,791 other food programs that have a primary purpose other than emergency food distribution and that provide food to people needing it.

This testimony focuses on those Second Harvest network emergency clients who receive food through the emergency programs, that is, from the pantries, kitchens and shelters.

This Committee asked Second Harvest to address six questions.

The first question: "Who uses these emergency food services?" Obviously, all people who receive emergency food assistance cannot be categorized alike, but clear profiles do emerge from our recent research project:

- Second Harvest network food programs consist of local people helping local people.
- 94.9% of all emergency food clients live in the same county as the programs from which they receive food. 83% have lived in the same county for at least one year.
- At most, 8.3% of food recipients can be considered transient (2,177,582), having lived in the same county for three months or less, although a total of 18.1% of food recipients is homeless.
- 18.1% of all Second Harvest network food clients (3,958,728) are homeless (stated homeless, living in a shelter or mission, a car, van or recreational vehicle, or abandoned building).
- Another 5.4% (1,181,057) is in potentially marginal housing situations (living in a rented room without a kitchen, or living with family or friends).
- Children make up a significant portion of emergency food clients. Second Harvest network serves a projected 10,708,375 unduplicated children 17 or younger (45.8% of pantry clients are children, and 40.1% of shelter clients are children. Children account for 15.8% of soup kitchen clients).
- 22% of soup kitchen clients are seniors, which is significantly more than are reflected in the national population (12.5%).
- Females compose the majority of the pantry client respondents (67.9%), males compose the majority of kitchen client respondents (62%), and shelter client respondents are fairly evenly split (51.7% female).
- Whites comprise the largest group of food recipients at 50.9%, but whites comprise 75.6% of the total U.S. population.
- African Americans and Native Americans are represented in much larger numbers among food recipients than their populations warrant. African Americans comprise 32.9% of food recipients, compared to 11.7% of the U.S.

population. Native Americans account for 2.6% of food recipients, compared to 0.7% of the total population. People of Hispanic origin are represented among food recipients (11.4%) in a slightly higher proportion than their proportion of the overall population (9.0%).

Our recent research also yields the following significant findings:

- 61.7% of all food recipients do not have cars.
- 46.7% of all food recipients do not have phones.
- 16.5% of all agencies serve migrant workers.
- 39.6% of clients have less than high school diploma.

The second question you asked us to address is "How often do clients use these services?" Second Harvest network food clients can be viewed in three categories:

- Short term food recipients. A projected 6,883,747 unduplicated network emergency clients have received food assistance for three months or less (31.5%).
- Medium term food recipients: A projected 6,317,688 unduplicated Second Harvest network emergency clients have received food assistance for more than three months up to one year (28.9%)
- Long term food recipients: A projected 6,670,011 unduplicated Second Harvest network emergency clients have received food assistance for more than one year (39.6%) .

Soup kitchens have the longest term clients of the three categories. Pantries are second with long term clients. Shelters, which are designed to be short term in nature, are serving a large proportion of long term clients who may be moving from one shelter to another, or in and out of available shelters.

The lengths of time clients need food assistance is increasing drastically.

- Soup kitchens showed a 56.4% increase in length of usage over the past year.
- Pantries showed a 26.6% increase in length of usage over the past year.
- Shelters showed a 15.9% increase in length of usage over the past year.

The third question you asked us to address: "Who distributes these services?" Private not for profit agencies (church affiliated or not) account for 95.3% of the pantries, 97.6% of the soup kitchens, 97.2% of the shelters and 89% of the other food programs in the Second Harvest network.

Church-sponsored programs account for 71.7% of the pantries and 70.8% of the soup kitchens in the Second Harvest network.

The extent to which the hunger problem has developed recently is not known, but the response to hunger has been fairly recent. 71% of the food pantries in the Network have been established since 1986, and 16.2% have been started within the past three years.

The majority of agencies are small, operating on a shoestring.

- 79.6% of the food programs operate on $50,000 a year or less, while 71.4% operate on $25,000 a year or less.
- Half of food programs receive a total of $7,272 or less in income.
- 17.9% (projected to 12,403) of the food programs are economically threatened, i.e., not stable. Kitchens are the most vulnerable, with 25.2% threatened.

Volunteers are critical to distribution of food to those in need.

- The average agency has had 58.7 volunteer workers in the past year (with a median of 12). Each average volunteer gave 46.9 hours of his or her time.
- The 69,294 Second Harvest network agency food programs had volunteer services provided by at least 831,528 Americans, totaling at least 38,998,663 hours. Using the U.S. average hourly wage of $11.12, we can value these volunteer hours at nearly a half billion dollars ($433,665,133).

The fourth question: "Are these services receiving adequate funding?" My response to that question is in terms of capacity to provide services to needy clients. Our recent research indicates that when food programs were asked if clients have been turned away within the past year, how many had been turned away and for what reason, responses were as follows:

- 40.3% of 3,421 food programs have turned away clients in the past year for any reason.
- 700 agencies (19%) of 3,685 completed surveys) were able to supply statistics on the number of clients turned away. The majority do not collect these statistics.

Program administrators were asked if they ever had to stretch out food to be able to provide food to all clients, and if so, how often.

- 46% of the food programs had to stretch out food in the past year. This projects to 31,875 food programs within the network having to stretch food in the past year.
- 14.6% had to stretch supplies at least once a month, while the remaining 31.4% have been forced to do so less than 12 times in the past year.
- Projecting these numbers nationally implies that 10,117 food programs are stretching food at least monthly.

The average meal distributed through Second Harvest network agencies uses 1.28 pounds of food. The average package distributed holds 23.7 pounds of food. The total current needs for additional food throughout the Second Harvest Network is projected to be 120,542,610 pounds or an increase of 15.7% over the 1992 total network poundage of 769,018,532 generated by Second Harvest and the network food banks, and distributed to food programs.

The fifth question you asked us to address: "How the FEMA Emergency Food and Shelter National Board Program can best serve the need for emergency food services." You will find as part of the written testimony that the FEMA Emergency Food and Shelter Program complements the thousands of grassroots efforts to respond to hunger in local communities. Grants to food banks and their member agencies during the current fiscal year are a total of $4,860,095. For your information, there is a listing by state of food bank grantees appended to this testimony. Those funds are used to fill the gap between donated product and what is necessary to provide balanced, nutritional meals. The present process "piggy backs" on the existing charitable by providing for the acquisition of much needed product. The funds also help defray essential costs of storage, transportation and distribution of food in a cost effective and efficient system.

Observations from food banks that represent patterns in many local communities:

"Funds have consistently decreased over past years from $25,000 initial grant to current 1994 allocation of 6,461 for six counties." (Albemarle Manna Food Bank, Elizabeth City, North Carolina).

"In addition to assisting the homeless, these funds play a critical part in keeping people with financial difficulties in their own homes. This function must be emphasized because it is much less costly to keep people in their own homes than to help them once they are homeless." (Food Bank of Delaware, Newark, Delaware).

"The amount of money allocated for food has declined over the last few years for the following reasons: 1) Emphasis on serving the homeless has been interpreted locally to mean that only homeless hungry should be served with FEMA funds 2) The local Homeless authority (which administers HUD Emergency Service Grant funds from the McKinney Act) has been allowed to recommend how much FEMA money goes to shelter, prevention of homelessness, and food. In 1993-94 less than 10% of the $100,000 went to soup kitchens, food pantries and the food bank." (Second Harvest Food Bank of Coastal Georgia, Savannah Georgia).

"We receive $285,735 and we expect to distribute almost 1.4 million meals at a cost of approximately 20.9 cents per meal." (Food Distribution Center Food Bank, Orange, California).

"Funds are used for food purchase. FEMA funds cover 50% of our purchased food budget for emergency food programs. We could not replace these funds. Example: we purchase non-fat dry milk to complement donated cereal." (Spokane Food Bank, Spokane, Washington).

"Please stress local control to make decisions on spending priorities within guidelines. We may not want money to go for more beds or for soup kitchens only. Our country FEMA BOARD regards these food purchases as important measures to PREVENT homelessness." (Mid-Ohio Food Bank, Columbus, Ohio).

"The Memphis Food Bank is able to supply 145,224 supplementary meals to needy families in one of the poorest areas of the country because of FEMA. With 1993's FEMA grant of $58,000 plus accrued interest, the Food Bank distributed over 4,000 nutritionally balanced emergency food boxes of enough food to feed a family of four three meals a day for three days." (Memphis Food Bank, Memphis, Tennessee).

"These funds ($78,109) enable us to provide almost 420,000 meals on an annual basis." (Golden Harvest Food Bank, Augusta, Georgia).

"All the symptoms of poverty are intertwined and contribute to a domino effect, ultimately resulting in people living out of their homes. This local FEMA Board knows the community we live in and knows that supporting another homeless shelter is not the answer. They key is prevention and providing emergency food as we have chosen to do is part of that prevention." (Mahoning Valley Food Bank, Youngstown, Ohio).

"Funds are used to purchase nutritious food needed by our agencies. We wish more dollars were available." (Food Bank of Alaska, Anchorage, Alaska).

"Used to purchase supplies for emergency food provider. Very important to help pantries with balanced food boxes." (Westside Food Bank, Phoenix Arizona).

"We administer all of the "emergency food" part of our most populous county's (Kent County) FEMA Grant. (Second Harvest Gleaners of Western Michigan, Grand Rapids, Michigan).

"We prefer the present procedure not HUD. Current system provides local knowledge and evaluation. Also, this is very cost-effective with little, if any, bureaucracy." (Mississippi Food Network, Jackson, Mississippi).

"We receive no FEMA funds directly, but about 50 of our member agencies do deceive FEMA funding which they use through Gleaners. Our estimate is that about $260,000 of FEMA funds is spent with Gleaners. I do not recommend adding the FEMA funding to the Block Grant Funding. In Detroit this year, only $3 million of the 67 million dollars is getting to the neighborhood groups. The rest of the funds are being used to fund major developments and $20 million to tear down houses." (Gleaners Community Food Bank, Detroit, Michigan).

The sixth and last question you asked us to address is to give our opinion of the recent administration budget proposal to move the Emergency Food and Shelter National Board Program from FEMA to the Department of Housing and Urban Development. Simply expressed, leave it alone.

> The Food Bank of Western New York in Buffalo says: "This system has worked well here for eleven years; run by local people who know local needs. There has been virtually no friction and administrative costs have been less than 2%. Accountability is assured, but reporting requirements are a model of simplicity. Therefore, why is it being changed?
>
> We have used FEMA funds to feed hungry people whether or not they are homeless. We estimate that half of the recipients are homeless or "near homeless." The other half a typical food pantry clientele, i.e., low income people whose resources are so limited that they are constantly vulnerable to being homeless.
>
> HUD's knowledge of food and hunger is limited. We foresee their preoccupation with housing, not food. With urban concerns, not small town or rural. And with the 600,000 Americans whom Secretary Cisneros categorizes as homeless, not the 36,000,000 who turn for food assistance to Second Harvest Food Bank agencies every year."

The Greater Chicago Food Depository received $882,000 from the 1993/1994 FEMA Emergency Food and Shelter Program which runs from November 1, 1993 through October 31,1994. As such, this organization is the largest grantee in the Second Harvest Network. A statement describing what the FEMA Grant enables GCFD to accomplish through effective and efficient operations is appended to this testimony for your information.

Lastly, please consider these facts:

- The Second Harvest Network Serves 10.4% of the U.S. population annually.
- In 1992, food provided by Second Harvest and the network of member food banks totaled 769.0 million pounds.
- In 1993, food provided by Second Harvest and the network of member food banks totaled 825.8 million pounds.
- Food banks are the principal source of food for the agencies within the network. One quarter of all programs receive 80% or more of the food they distribute from Second Harvest network food banks.

- The amount of food currently being distributed is not enough to meet the present need.
- Despite the combined food resources currently available to them, many network emergency food clients of pantries, soup kitchens and shelters are living on the edge.
  - √ 11.9% of all clients eat hot meals rarely or once in a while.
  - √ 21.5% of all clients worry often or always about the source of their next meal.
  - √ 32.4% almost one third, report that adults in their households have missed meals in the past month because they did not have enough food or money to buy it, including 4.4% who missed at least 20 meals in the past month.
  - √ Children have missed meals because of lack of food and money in 10.7% of all Second Harvest network emergency client households.

In the light of this testimony, it is certain that now is not the time to make any changes that will negatively impact on the effective and efficient network of charitable agencies that are the ultimate safety net in this nation.

SECOND HARVEST FOOD BANKS: CURRENT FEMA FUNDING: JUNE 1994

State	City	Food Bank	Funds
Alabama	Birmingham	United Way Community Food Bank	$ 5,000
Do	Montgomery	Montgomery Area Food Bank	7,500
Alaska	Anchorage	Food Bank of Alaska	21,500
Arizona	Mesa	United Food Bank	80,000
Do	Phoenix	Westside Food Bank	80,000
Do	Tucson	Community Food Bank	22,500
California	Cathedral City	FIND, INC.	65,000
Do	Concord	Contra Costa Food Bank	160,000
Do	Fairfield	Solano Food Bank	38,000
Do	Los Angeles	Los Angeles Regional Food Bank	280,000
Do	Oakland	Alameda Cty Community Food Bank	40,000
Do	Orange	Food Distribution Center	285,735
Do	Santa Rosa	Redwood Empire Food Bank	16,900
Do	Salinas	Food Bank of Monterey County	77,005
Do	San Francisco	San Francisco Food Bank	35,000
Do	Santa Barbara	Food Bank of Santa Barbara County	30,000
Colorado	Colorado Spring	Care & Share, Inc.	6,282
Do	Denver	Food Bank of the Rockies	2,000
Delaware	Newark	Food Bank of Delaware	31,000
Florida	Orlando	Second Harvest FB of Central Florida	11,000
Georgia	Augusta	Golden Harvest	78,109
Do	Atlanta	Atlanta Community Food Bank	13,000
Do	Savannah	Second Harvest FB of Coastal Georgia	2,200
Illinois	Chicago	Greater Chicago Food Depository	882,000
Do	Springfield	Central Illinois Food Bank	20,000
Iowa	Waterloo	Cedar Valley Food Bank	6,134
Kentucky	Lexington	God's Pantry Food Bank	12,882
Do	Louisville	Dere to Care	40,000
Louisiana	New Orleans	Second Harvesters FB of Gr. N.O.	66,794
Maryland	Baltimore	Maryland Food Bank	64,962
Massachusetts	Boston	Greater Boston Food Bank	30,000
Do	Hatfield	Western Mass. Food Bank	10,940
Do	Shrewsbury	Worcester County Food Bank	69,572
Michigan	Grand Rapids	Second Harvest Gleaners/West Michigan	59,000
Minnesota	Crookston	North County Food Bank	5,000
Do	Minneapolis	Second Harvest FB of Gr. Minneapolis	17,500
Do	Rochester	Channel One Food Bank	12,500
Mississippi	Jackson	Mississippi Food Network	77,000
Missouri	Kansas City	Harvesters	32,876
Do	St. Joseph	Missouri-Kansas Regional Food Bank	21,357
Do	St. Louis	St. Louis Area Food Bank	50,000
Nebraska	Lincoln	Food Bank of Lincoln	1,500
Nevada	Sparks (Reno)	Food Bank of Nevada	27,000
New Jersey	Camden	Food Bank of South Jersey	194,961
New York	Albany	Regional FB of Northwestern New York	3,000
Do	Buffalo	Food Bank of Western New York	260,000
Do	Millwood	Food Patch	70,000
Do	Rochester	Food Link	135,000

SECOND HARVEST FOOD BANKS: CURRENT FEMA FUNDING: JUNE 1994—Continued

State	City	Food Bank	Funds
North Carolina	Elizabeth City	Albemarle Manna Food Bank	6,461
Do	Raleigh	Food Bank of North Carolina	5,000
North Dakota	Fargo	Great Plains Food Bank	4,350
Ohio	Akron	Akron-Canton Regional Food Bank	34,500
Do	Amherst	County Cupboard Food Bank	42,000
Do	Cleveland	Cleveland Food Bank	81,850
Do	Columbus	Mid-Ohio Food Bank	82,000
Do	Dayton	American Red Cross Emergency FB	21,000
Do	Springfield	Loaves and Fishes	47,348
Oregon	Portland	Oregon Food Bank	110,000
Pennsylvania	Erie	Second Harvest FB of NW Pennsylvania	91,898
Do	Farrell	Community Food Warehouse	20,000
Do	McKeesport	Greater Pittsburgh Food Bank	134,495
Do	Reading	Greater Berks Food Bank	66,500
Rhode Island	West Warwick	Rhode Island Community Food Bank	22,463
South Dakota	Sioux Falls	Food Service Center of South Dakota	27,739
Tennessee	Memphis	Memphis Food Bank	58,000
Texas	Corpus Christi	Food Bank of Corpus Christi	35,000
Do	McAllen	Food Bank of the Rio Grande Valley	141,815
Do	San Antonio	San Antonio Food Bank	91,045
Virginia	Newport News	Food Bank of the Virginia Peninsula	63,000
Do	Norfolk	Food Bank of SE Virginia	68,922
Washington	Spokane	Spokane Food Bank	47,000
Total			$4,860,095

EMERGENCY FOOD AND SHELTER PROGRAM

The Greater Chicago Food Depository (GCFD) received $882,000 for the 1993/1994 FEMA Emergency Food and Shelter Program which runs from November 1, 1993 through October 31, 1994,

This grant enables the GCFD to purchase and distribute over two million pounds of highly nutritional food which is integrated into the diets of many of the 326,000 Chicagoans who regularly rely on over 500 emergency feeding programs.

Rice, beans, chicken, dry non fat milk, peanut butter, tuna fish, macaroni and cheese, turnip greens, beef stew, yams, instant mashed potatoes and fruit cocktail have been distributed this year. Although the FEMA purchased food represent 9% of the 25 million pounds of food and grocery products distributed by the GCFD this year, the nutritional impact is significant; e.g. we have 80 Hispanic shelters and emergency feeding sites in Chicago and Cook County. The rice, pinto beans and red beans we purchase with this funding are indispensable components in the diets of the Hispanic clients served by those 80 agencies . . . rice and beans are rarely donated so we depend on FEMA and our agencies depend on us for rice and beans. The other previously mentioned products we purchase are not normally donated and provide a substantial amount of protein for hungry men, women and children. 89% of our agencies reported in the Second Harvest National Hunger Study that loss of food from GCFD would range from critical (39%) to devastating (50%) for their programs.

The Emergency Food and Shelter program is a splendid example of a government program designed to help the needy that has virtually no bureaucracy . . . and it works. The National Board chaired by FEMA uses a formula based on population, poverty and unemployment to allocate funds to counties and cities. The Local Board in Chicago decides which organizations will be funded and targets funding allocations for emergency services that make a difference. The grants supplement and extend currently available resources in a closely coordinated public/private sector cooperative venture. The program in Chicago is sensitive to groups with special needs like the Hispanic population served by emergency food and shelter agencies.

The Administrative funding for this program is only 5% overall. GCFD received, 2% to operate and administer the program which doesn't come close to covering the costs of competitively procuring, receiving, inspecting, storing and distributing thousands of pounds of food each day; however, we gladly absorb those additional oper-

ational costs because the program has such a nutritional impact on so many in need.

We believe that the success of the FEMA emergency food and shelter program in Chicago and nationally is due, to a great extent, to the integrated, cooperative and sensible sharing of scare resources to meet the basic needs of homeless and hungry citizens. If the FEMA program were moved to HUD and administered as it is now . . . it could work. However, our concern is simply one of moving an outstanding program to an agency focused on housing and not necessarily on an integrated approach to two serious symptoms of poverty in this country . . . homelessness and hunger.

PREPARED STATEMENT OF DENNIS P. CULHANE

Mr. Chairman and members of the committee, in my testimony today, I shall briefly review previous estimates of the size of the homeless problem in the United States, present new evidence on the scope of the problem and discuss some of the implications of this research for future policy, including the proposed re-authorization of the Federal Emergency Management Agency's Emergency Food and Shelter National Board Program.

In 1982, advocates for the homeless claimed that 2 million Americans were homeless, or 1% of the nation's population (Hombs & Snyder, 1982). It is important to note that the advocates' estimate was not based on a scientific method, but that it nonetheless became a widely cited figure on the magnitude of the homelessness problem.

In contrast, the Department of Housing and Urban Development conducted its own survey of local officials in 1983, and estimated that 250,000 people, or .1% of the population was homeless at any given time. HUD's .1% estimate and advocates 1% estimate set the parameters for the so-called "numbers debate" that ensued.

A number of local surveys by social scientists have since been conducted, that have used more reliable enumeration methods, and that have sought to count homeless people in shelters, parks, subway stations, and a range of other public spaces. These studies have consistently found that between .2% and .4% of their respective populations are homeless on any given night—higher than HUD's original estimate but lower than advocates' claims (see Culhane et. al., 1993 for a summary). The exception is a recent study of the District of Columbia's metropolitan area that found 1% of its population over the age of 12 homeless on one night in 1993 (Dennis et. al., 1993). At least some of the difference between these findings and HUD's original estimate are attributable to their having been conducted several years later, when the homelessness problem was believed to have increased.

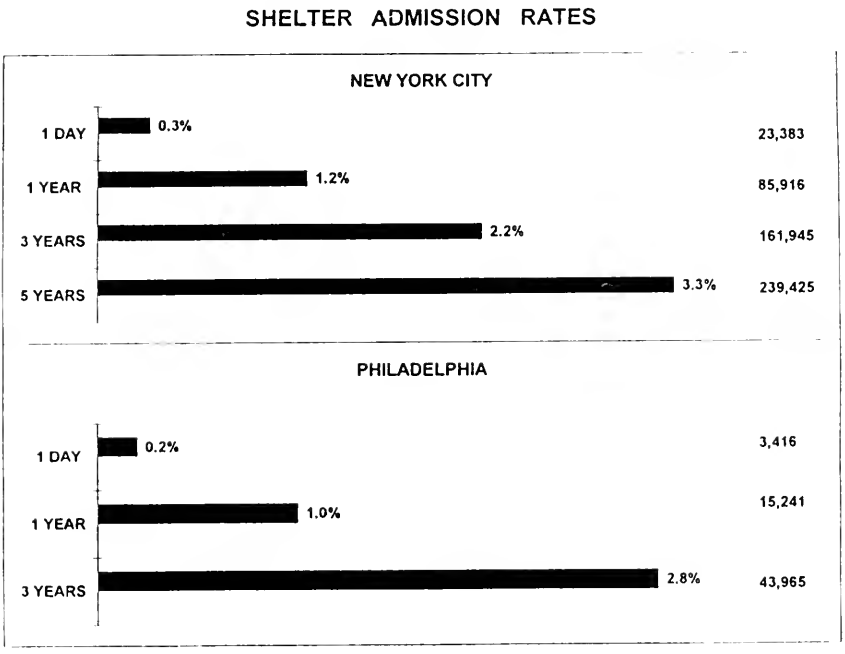
Researchers from the Urban Institute (Burt & Cohen, 1989) conducted a national study in 1987 that estimated 600,000 people were homeless on any given night, or .25% of the nation's population. This estimate was more than double the HUD estimate in 1983, and reflected both the improved methods of enumeration and estimation, and an increase in homelessness over this period. The 600,000 estimate was accepted by Federal officials in the Bush administration for planning purposes (Kondratas, 1991).

Finally, the US Census Bureau (1991) conducted the most extensive enumeration ever undertaken of the homeless on S night in 1990, finding that 230,000 people were homeless in the nation's 200 largest cities. Evaluations of the Bureau's effort revealed that many street homeless were missed in the count, but it nonetheless produced the nation's most comprehensive enumeration to date.

However, the limitations of this research have not always been recognized. All of this research as been derived from cross-sectional surveys of the population. Such research provides a "snapshot" of the population or its size and characteristics at a given point in time, and as such, is not intended for estimating the magnitude of the problem *over time.* This method also overrepresents people with long periods of homelessness, such as persons with mental health and substance abuse problems (see Dennis et.al., 1993), and underestimates people with short periods of homelessness, such as those facing temporary housing emergencies.

To compensate for these limitations, last year several colleagues and I conducted a longitudinal study of the prevalence of homelessness in two large cities, Philadelphia and New York City, using administrative records (Culhane et. al., 1993). Both cities maintain central in-take systems for public shelters, where clients are registered for shelter in centrally maintained databases and through which their use of shelters is tracked over time. We used these cities' computerized records to document the *unduplicated* number of people who stayed in public shelters in both cities, unduplicating people by name, Social Security number and birthdate.

The results of our study were startling. We found that while both cities have single-point-in-time rates of homelessness similar to that nationally (.2-.4%), approximately 1% of both cities' populations stayed in shelters in 1992. Furthermore, we found that those numbers multiply over multiple years, to greater than three percent (3.27%) over five years in New York City and approaching three percent (2.77%) in Philadelphia over three years. (See attached charts.)



Of course, the risk for homelessness is not spread evenly throughout the population. African Americans were 15 times more likely to become homeless than whites, with 8% of New York City's African American population having been homeless at least once in the last five years. Children were also more likely to be homeless than the general population, with 8% of the African American children in both cities having been homeless in the last several years, or one out of every 12. If we were to include more recent data, we would find that nearly one out of every 10 African American children have been homeless in these two cities since the late 1980's.

It is worth noting that while our study was based just on Philadelphia and New York City, there are converging sources of evidence that support the generalizability of our findings nationally. First, there are other cities and states that have computerized tracking databases. Martha Burt of the Urban Institute (1994) recently completed an analysis of data from 7 additional jurisdictions, including Columbus, Ohio, St. Paul, MN, Los Angeles, CA, the State of New Hampshire, the State of Rhode Island, Louisville, KY, and the San Francisco Bay Area. She has calculated unduplicated annual rates of shelter use for these areas, finding Philadelphia's and

New York City's 1% annual rates to be midrange between a low of .3% for the State of New Hampshire and a high of 2.12% in St. Paul. In fact, the only two population adjusted rates among these jurisdictions that fall below .75% annually are the states of Rhode Island and New Hampshire, undoubtedly because they include their entire state population base as the reference point.

Thus, this new research demonstrates that turnover among the homeless population is significant. Given the known shelter capacity in these systems and the volume of shelter users identified in our study, most people who become homeless must stay in shelters for relatively brief periods of time (60 day average in Philadelphia; 90 day average for families' first stay in New York City). Indeed, more than 90% of the people we identified as using public shelters in either city are no longer in those shelter systems, suggesting that assumptions about homelessness as primarily a chronic condition are far off the mark. Our preliminary analysis of shelter stay patterns data suggest that in Philadelphia only about 15% of shelter users annually will stay in shelter for more than 6 months, and that half of shelter users will stay in shelter for less than 45 days.

These new findings are important not only for what they say about the magnitude and dynamics of homelessness, but for what they suggest about the population's characteristics. Because previous research has found that people with disabilities and behavioral problems are homeless for longer periods of time (Dennis et. al., 1993), that would imply that, over time, the homeless population is less comprised of such persons than previously thought. For example, while people with severe mental disorders may account for a third of the homeless at a given point in time, as people without disabilities turn over at a higher rate, the proportionate representation of people with severe mental disorders is likely to decline significantly.

This analysis would argue for recognizing that there are at least two major subgroups among the homeless, the smaller, more visible group with chronic disabilities, and the larger, less visible population of persons experiencing temporary housing emergencies. Future research on the characteristics of these two groups is needed. Nevertheless, the existence of these two subgroups would correspondingly require a two-pronged strategy to address the problem.

First, those persons with special needs and who are homeless for long periods of time are quite evidently not being adequately served by the existing system of emergency shelter provision. More intense efforts to reach out to the street homeless, to stabilize long-term homeless people in transitional housing facilities, and to provide them with supported, permanent housing in the community are necessary if we are reduce chronic homelessness. This is consistent with the "continuum of care" proposal outlined in the Clinton's Administration's Federal Homelessness Plan.

Second, those persons who have temporary housing emergencies should not be forced to undergo the disruptions of family, work and education that homelessness imposes before they are eligible to receive intervening support and services. For the short-term and intermittently homeless, both broad-based and more finely targeted homelessness *prevention* strategies would better serve them and reduce their costly use of emergency shelters.

Homelessness prevention is essential to any plan to reduce homelessness, and will require interagency collaboration, at the local, state and national levels. At the broadest levels, homelessness prevention requires increasing the residential security of poor households through more comprehensive income maintenance protections, and through the expansion of affordable housing opportunities. The prevention of homelessness among vulnerable adults will also require equal protection for persons with mental health and substance abuse disorders in health care reform, by mandating equal access to in-patient and/or residential treatment services at parity with other disorders. Likewise, improved discharge planning standards for people leaving penal or health care institutions should be applied to reduce the abdication of that responsibility to shelter systems.

Finally, "late stage" or secondary prevention initiatives might include more aggressive community-based attempts to assess and divert people who present to the shelter system. Such "shelter diversion" programs might include emergency cash assistance, eviction prevention, bridge loans or resettlement subsidies, and crisis residential services. Components of such a strategy are already in place in many cities,

and a positive evaluation by the Inspector General at HHS (1991) documented their cost-effectiveness and encouraged their expansion. I would also note that a city-wide shelter diversion program for families is operating in New York City, where significant cost savings to the shelter system have been documented.

FEMA resources could correspondingly be used to increase the range of preventive services available to at-risk households. Given that our research shows clearly that most homelessness is episodic and time-limited, targeted, preventive interventions could go very far in reducing the deleterious impact of housing emergencies. One potential function of such prevention programming would be to establish linkage programs between homelessness programs and mainstream housing, health and human service providers. Bringing those mainstream providers into the homelessness prevention and housing relocation service network would build the capacity to reverse the current flow of people from neighborhoods, to shelters, to the streets, back in the other direction.

Thank you. I would be glad to answer any questions you might have.

For cited literature, see the references and the related commentaries in the Fannie Mae working paper, "Public Shelter Admission Rates in Philadelphia and New York City: The Implications of Turnover for Sheltered Population Counts" introduced for the record with this testimony and to be published in a forthcoming issue of "Housing Policy Debate," published by the Fannie Mae Office of Housing Research.

PREPARED STATEMENT OF JACQUIE LAWING

Mr. Chairman and Members of the Committee:

I am pleased to appear before you today on behalf of the Department of Housing and Urban Development (HUD) Secretary Henry Cisneros to discuss the reauthorization of the Emergency Food and Shelter National Board Program and the broader issue of emergency food and shelter services.

You asked that I discuss HUD's evaluation of the need for emergency food and shelter services and the role that such services should play in the fight against homelessness. In addition, you asked that I specifically address the importance of homelessness prevention activities, especially in light of the Emergency Food and Shelter Program's increasing emphasis on such endeavors.

This Committee, guided by your leadership, has been instrumental in helping communities across the nation meet dire emergency food and shelter needs. In fact, the Emergency Food and Shelter Program represented the first direct Federal aid to address the urgent needs of families and individuals which became apparent in the 1980's. As the Clinton Administration states in *Priority: Home! The Federal Plan to Break the Cycle of Homelessness*, the program was created in 1983 in response to problems and emergencies caused by high unemployment due to the recession of the early 1980's. During the first half of the 1980's, the Federal response to homelessness was largely limited to providing such vital emergency assistance.

Closely related to the Emergency Food and Shelter Program are the six Stewart B. McKinney homeless assistance programs administered by HUD. As you know, addressing homelessness has been designated as HUD's number one priority, and I would like to take a moment to recognize the leadership that Secretary Cisneros and Assistant Secretary for Community Planning and Development Andrew Cuomo have brought to this area during the last 16 months. As a result of this dynamic leadership, the Federal government's response to homelessness has taken a bold new direction which reflects a clearer understanding of the nature and extent of homelessness.

President Clinton issued an Executive Order on May 19, 1993 requesting a Federal Plan to break the cycle of homelessness and to prevent future homelessness. Following the issuance of this Executive Order, an eight-month, nationwide survey and effort was launched and input was received from more than 14,000 representatives of state and local governments, not-for-profit providers of services and housing, advocates for homeless people, economic and community development leaders, educators and social service professionals, and currently and formerly homeless individuals and families. The Federal Plan reflects the knowledge offered during this process and the collaboration of 17 Federal agencies.

The Federal Plan, released by Interagency Council on the Homeless (ICH) Chair Henry Cisneros and Co-Vice Chairs Secretary of Health and Human Services Donna Shalala and Secretary of the Department of Veterans Affairs Secretary Jesse Brown on May 17, 1994, describes homelessness as the most extreme breakdown of our housing and social service systems. It affects a wide range of populations, which can be broadly classified into two categories: those who suffer from crisis poverty and those who suffer from chronic disabilities. Oftentimes the first, "crisis poverty," refers to homelessness that may be traced chiefly to ongoing poverty, made untenable by some unforeseen development such as a change in family structure. The second, "chronic disability," refers to homelessness accompanied by one or more chronic, disabling conditions such as substance abuse, mental illness, and chronic health problems, including AIDS.

Recent studies have shown that homelessness persists despite the often heroic efforts of thousands of selfless not-for-profit providers, advocates and others who have dedicated limitless hours and untold energy over the past decade to helping those in need. Researchers have found that as many as 600,000 persons are homeless on any given night and about 7 million persons experienced homelessness at some point during the latter half of the 1980's.

While many programs designed to respond to homelessness have been developed at the Federal, State, and local levels, it is clear that as a long-term strategy they have met with limited success. The current homeless service system was not planned, but rather evolved as result of the uncoordinated efforts of different levels of government, not-for-profit organizations, and foundations. In many instances, the outcome has been a disjointed approach that provides for some needs while ignoring others. As we achieve a more accurate understanding of the causes and dynamics of homelessness—crisis poverty and chronic disability—it has become clear that comprehensive community-based efforts are needed to assist those who are now homeless and to, prevent future homelessness.

To address homelessness comprehensively, the Clinton Administration's Plan proposes the development of a local seamless system of services and housing called the "continuum of care." A continuum of care ensures necessary emergency housing, assessment, and a continuum of housing and supportive services, when needed, for homeless individuals and families to gain independent living or supportive living.

The fundamental components of a continuum of care system are basically threefold:

- First, there must be an emergency services system which provides immediate food and shelter, and can identify an individual's or family's needs,
- The second component offers transitional housing and necessary social services. Such services include substance abuse treatment, short-term mental health services, independent living skills, child care, and day care,
- The third and final component, and one which every homeless individual and family needs, is permanent housing or permanent supportive housing arrangements.

It is important to note that all homeless individuals and families in a community will not necessarily require access to all three components. However, unless all three components are coordinated within a community, none will be successful in addressing homelessness. A strong homeless prevention strategy is key to the success of the continuum of care. While several McKinney programs currently support local prevention programs, first and foremost among these is the Emergency Food and Shelter Program.

The emergency component of a community's continuum of care provides for an immediate alternative to the street and assesses the individual's or family's needs. This is an essential component in both addressing homelessness and in addressing the urgent needs of many persons living in poverty.

Clearly, communities are already linking Federal emergency funds—such as those from HUD and FEMA—to their overall homeless efforts. For instance, Friends of the Homeless, a non-profit organization in Columbus, Ohio, makes use of HUD Emergency Shelter Grant funds to repair an emergency shelter that temporarily houses single adults. The shelter is linked to transitional services which include housing for residents for up to two years and provides an array of supportive serv-

ices. Friends of the Homeless also provides counseling and placement in connection with permanent housing services.

Lutheran Social Services, a large social service agency here in Washington, D.C., makes use of Emergency Food and Shelter funds to provide emergency housing assistance to homeless families and individuals and links that assistance to transitional services such as mental health counseling, family support services, housing placement and other linkages with community-based programs.

While these are just two of the examples throughout the country that demonstrate how emergency programs are often linked to a larger community strategy, the current array of Federal categorical programs often stymies such coordination.

The Clinton Administration is actively pursuing ways to provide localities the ability to create a comprehensive, flexible and coordinated system of homeless assistance. To that end, HUD, which administers the majority of Federal homeless assistance funds, has proposed to Congress a reorganization of the various McKinney programs it currently administers and a significant increase in the HUD McKinney homeless budget.

This proposal would reorganize HUD's McKinney programs into a single homeless assistance grant program to States and localities. This proposal would give communities needed flexibility and enable them to fashion a comprehensive system which addresses the needs of different homeless populations in their particular community. It would also ensure the various elements of the system—emergency, transitional, and permanent assistance—be in balance, which under the myriad of categorical HUD programs is not currently possible. The proposal relies on widespread community support in developing the continuum of care strategy.

In fashioning a comprehensive local approach, a key component of HUD's legislative proposal is that the community would link the resources it would receive from HUD with other Federal, State, and local resources.

HUD fully supports the reauthorization of the Emergency Food and Shelter Program. The program uses a unique partnership approach between the Federal government, board member organizations, and hundreds of local boards to effectively set allocation criteria, establish program guidelines, and distribute funds to social service agencies. The program has proven to be very successful and will continue to be a major Federal component of the continuum of care.

Thank you again for the opportunity to testify. We look forward to working with you in addressing emergency needs, homelessness and homeless prevention. I would be happy to answer any questions you might have.

PREPARED STATEMENT OF BROTHER JOSEPH BERG

We take this opportunity to thank you, Senator Akaka, and this committee for the privilege of appearing before you as the National Board responsible for the Emergency Food and Shelter National Board Program, Title III of the McKinney Act. We appreciate the opportunity to testify before the Committee on Governmental Affairs on the Emergency Food and Shelter Program, an effort which we believe has been singularly effective in helping meet the real and still growing need for which Congress created this program in 1983.

First, by way of background, we want to assure you that the National Board members and the national non-profit agencies we represent, take our responsibility for this program very seriously. We have met monthly (often more frequently) for virtually every month since you authorized this program and mandated its board representation, trying to make certain that your intent for this program was carried out and that the dollars appropriated get out very quickly to meet the greatest of emergency food and shelter needs across the country. We also want to take this opportunity to thank our own agencies (Catholic Charities, USA; The Salvation Army; American Red Cross; National Council of the Churches of Christ in the USA; Council of Jewish Federations; and, United Way of America) which have volunteered our time for the last eleven years for their support. A great deal of thanks goes to the Federal Emergency Management Agency (FEMA) for the outstanding leadership, wisdom, and support they have always given to this effort. In addition to their role as National Board Chair, FEMA has always been a true partner to us in this pro-

gram, which has permitted us to create a truly unusual and highly effective public/private national partnership to address this huge and entrenched national problem.

To review the accomplishments over the last eleven years, we would simply tell you that it is one of those unique programs authorized by Congress that has actually accomplished exactly your intent: a single-focused, highly effective, and fast response to emergency food and shelter needs among the most vulnerable of our citizens.

We would also point out that this is not simply an emergency shelter based service, but as the reference material shows at least 40% of the funds are expended on food and feeding programs for the hungry, which are beyond shelter needs.

This is one of the most successful programs the United States Government has established. In more than 2,500 communities across America, Local Boards (which reflect the makeup of the National Board) are empowered to make funding decisions. They currently allocate funds to over 10,500 local agencies, both private nonprofit and government, for providing direct services to the homeless and hungry. This year, over 25 million meals are being served, another 84 million meals will be provided through food pantries, over 4 million nights' lodging will be made possible for homeless individuals and families, and 295,000 rent/mortgage payments will be made to help keep people from being evicted, and 208,000 utility bills will be paid to help people stay in their homes. Beyond the numbers, the value of promoting and preserving self-esteem to those who have lost so much because of unemployment and other circumstances is immeasurable.

Because of the "community empowerment" built into this program, it truly and effectively reaches the "grass roots" of our society, including our most rural jurisdictions where many very small agencies and church groups serve the hungry and homeless. These small communities and agencies could not compete for funding in larger block grant-type programs, which would effectively cut off funds in areas of great need where alternative resources are virtually absent. We understand the availability of funds from this program enables local hunger and homeless programs to raise more private funds in their communities. Local Boards have broadened their membership and reached out to smaller agencies that are involved in feeding and sheltering the hungry and the homeless. At times, Local Boards have provided fiscal agents or other technical assistance to help smaller agencies participate. Local Boards have also been diligent in carrying out the Congressional mandate that homeless or formerly homeless people be part of Local Boards.

In fact, this program over the years has served as a catalyst for many other public/private coalitions and partnerships in thousands of communities that now reach far beyond the Emergency Food and Shelter Program. Language programs, for example, have been one of the spin-offs from these networks of people and agencies which have taken root and continue to provide key life management skills designed to support self-sufficiency. This is just one example of the many ancillary benefits to thousands of communities which have participated in the Emergency Food and Shelter Program.

As for efficiency, our small administrative arm—or Secretariat, served by United Way of America, distributes the first checks to agencies providing these emergency services within two weeks of receipt of application forms from local communities as shown in the attached charts. In the current Phase, the average time between Local Board request and approval for local agency funding and the issuance of checks to that agency was between two and three weeks. As for accountability, our compliance process is quite thorough, but also quite simple, so that even very small agencies with minimal accounting skills can participate effectively and accountably. In addition, FEMA conveys a copy of our annual audit by Arthur Andersen to you each year with their annual report on the program.

In your request for testimony, you raised the question about the nature of homelessness now, and the continuing need for the services provided through this and other McKinney Act programs. Research on the national dimensions of homelessness is not within our capability, and has been ably accomplished by other organizations, some of whom you heard from in earlier testimony. We can tell you, however, based on surveys we made of Local Boards and providers of service through this program in April of 1993, that only 51% of total agency requests for Emergency

Food and Shelter monies could be funded. In that survey, the responses showed that since that time the need for services had continued to grow. 76% of the local agencies surveyed reported increased demand for their services since the initial allocations for 1993 were made. This was not too surprising, since it fit with the anecdotal evidence National Board members had been hearing from their constituents in the field. What was surprising was the extent of the increased demand: 61% of Local Boards and 40% of Local Recipient Organizations reported a 30% or more increase in demand, and an additional 6% said that the demand had more than doubled.

This increased demand exceeded that capacity of 67% of the Local Boards and 59% of the participating organizations to meet it. Another 22% of the LROs reported that they were just barely meeting the need, while only 19% reported adequate resources to meet the increased demand. According to our respondents, the reasons for this reported increase were poor local economic conditions, which had resulted in more unemployed and working poor people requesting more services. At the same time, virtually all respondents expected the demand for services to continue to increase over the next six months, which has been borne out in the anecdotal discussions and requests for funding which the National Board has collected in the interim since the completion of this survey.

There is no doubt, based upon our experience and the evidence we have collected, that the problems of hunger and homelessness in this country have not diminished, but in fact have continued to increase. Even with funding at the current level for this program, we are able to meet ever smaller percentages of the total emergency need which exists.

Finally, we would speak to the proposed shift of the Emergency Food and Shelter Program from FEMA to HUD. It is our contention that such a transfer would be of little value. While we fully appreciate and support the emphasis on prevention and treatment, including the "Continuum of Care" concept outlined in the HUD package, we respectfully point out that the emergency nature that most clients of this program encounter require meeting of their basic survival needs prior to any treatment of the conditions which led them to homelessness, hunger or both. As you have seen, the numbers of people facing these conditions are still increasing, and for the foreseeable future, will have basic survival needs at the forefront of their existence. The very different nature of these two elements, treatment and survival, require quite different response skills, and as we have tried to demonstrate here, you already have a very successful working partnership addressing the emergency side of the equation. We are frankly puzzled as to why anyone would want to fix something that does not need fixing.

If, however, this program is moved, it should only be done following extensive consultation with the National Board and Local Boards, hopefully before such a shift takes place. We would hope that those responsible for such a move would not allow this to take place without such consideration. It is also our hope that Congress would ensure that the program, wherever it is housed, would remain as it is, for the many reasons cited.

We have always, with a purpose, given this unique program a low profile. We did not want to celebrate ourselves or intimate by our reported successes that the problems were lessening. But in a forum such as this, it is important to point out that this program has been a remarkable success—it has delivered funds rapidly while maintaining accountability, it has been responsive to the needs of the local communities, it has worked with very low administrative costs (less than 3% total), and it has been a true, working, public-private partnership. You can be proud of this program, which is well known to many of you on this committee. At the local level, we are told that in many places this program has caused agencies to work cooperatively with local government and with other agencies in ways that did not exist prior to this program. You should know that a vibrant national coalition exists as a result of this positive program that needs to continue serving our country.

We want to be very clear that this is not an "anti-HUD" position. In fact, we have offered our assistance on several occasions to HUD in their goal of community empowerment by sharing the experience we have developed over the past eleven years of this program, and we stand willing to do so if called upon. This cooperative spirit we offer can be accomplished quite effectively from its current partnership of

private agencies with FEMA, which again, we believe to be the appropriate federal agency for this program.

In fact, we are flattered by the "Citizen Participation" Section (109) of HUD's new legislative proposal. Their local board concept is similar in some respects to the one we have been employing, with gratifying results, for the last eleven years. As Congressman Vento has noted, no one holds the copyright in this area on good ideas, so we are pleased to see that approach. It is our hope that HUD will emulate the model of partnership with charitable and non-profit groups that FEMA has established.

In the interest of brevity, we will simply offer to expand on this testimony by responding to any questions you and your committee may have, and again respectfully request your consideration of our suggestions and experience in the Emergency Food and Shelter Program. The National Board thanks you sincerely for the interest and commitment this Committee has always devoted to this program, and asks for your continued support by authorizing funding at at least at its current level for FY 1995 and keeping a truly effective national alliance intact.

Thank you for the opportunity to share our experiences with you.

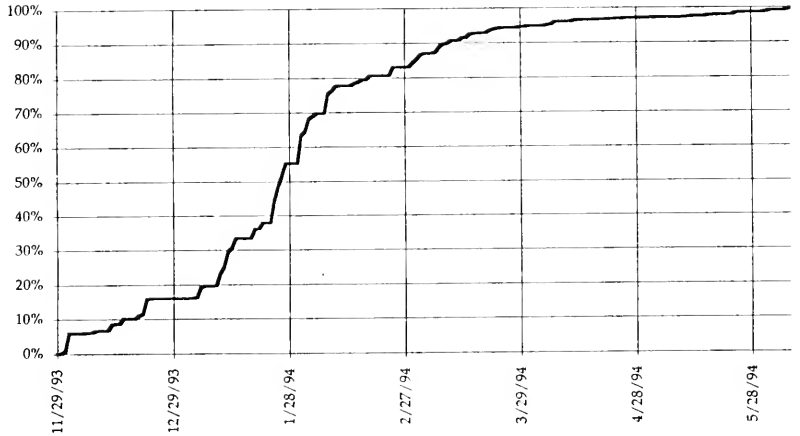
Emergency Food and Shelter National Board Program
Phase 12 - Fiscal Year 1994

Key Dates	
Signed into law by President Clinton	10/28/93
Award from FEMA to National Board	11/17/93
Award notifications mailed to Local Boards	11/10/93
Return of first Local Board Plan	11/19/93
First payments mailed	12/01/93

Processing Statistics		
Amount of funds allocated		$134,029,406
Board Plans received through 6/8/94	2,773	$133,509,798
Board Plans completely processed	2,704	$133,411,072
Board Plans being processed*	69	$98,726
Payments through 6/8/94**	16,792	$105,533,550

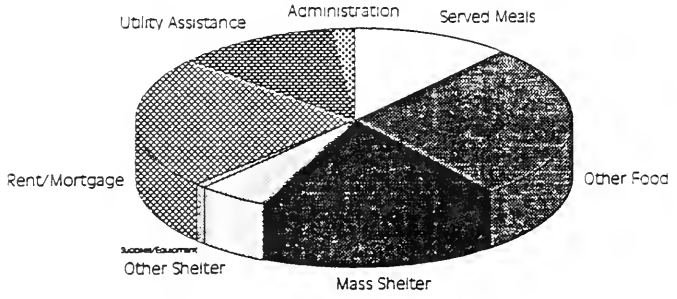
* number includes primarily Local Boards not in compliance with guidelines
** each funded organization receives two or three payments depending upon award size

Emergency Food and Shelter National Board Program
Phase 12 Board Plan Processing - Percent of Dollars Processed By Thirty-Day Period



Emergency Food and Shelter Program Phase XII (FY'94) Estimated Local Spending

Served Meals	$15,169,396.01	11.7%	24,658,294 meals
Other Food	$36,154,406.74	27.9%	83,261,673 meals
Mass Shelter	$22,448,274.85	17.3%	3,567,070 nights
Other Shelter	$6,446,577.88	5.0%	662,055 nights
Supplies/Equipment	$1,181,828.75	0.9%	
Rehabiliation	$102,359.00	0.1%	
Rent/Mortgage Assistance	$30,473,410.12	23.5%	289,967 bills
Utility Assistance	$15,631,403.17	12.1%	201,236 bills
Administration	$1,852,681.48	1.4%	
Total	$129,460,338.00		4/19/94



Rehabilitation spending is too low to appear

PREPARED STATEMENT OF GENE BRADY

Good Morning. I am Gene Brady, Executive Director of the Commission on Economic Opportunity, located in Wilkes-Barre, PA. The Commission is the designated Community Action Agency for Luzerne County. Throughout its history, CEO has developed a wide variety of programs to meet the needs of the poor in Luzerne County. Presently, the agency operates more than twenty (20) separate programs, all directed towards low income individuals and families with a goal of increasing their social and economic independence by reducing their dependence on the aid and support of welfare programs. Our services are in the areas of energy, nutrition, housing, and in-home services. The Commission has been designated as the lead coordinating organization for all homeless programs within the county.

Luzerne County is in Northeast Pennsylvania, and in its prime it was the heart of the anthracite coal industry. Since the decline of the coal industry, the area has

depended primarily on apparel manufacturing and the service-producing industries as its major employment. According to the 1990 Census Social and Economic Indicators, the per capita income for the county is $12,002, 17% below the U.S. per capita income of $14,387. The median household income for the county is $23,600, 21% below the U.S. median household income of $29,943. The County's population of 328,000 consists of 25% over the age of 60.

Since the inception of the Emergency Food and Shelter Program twelve years ago, the county has received approximately $2.5 million in FEMA funds under this program. Of the county's allocation, the Commission on Economic Opportunity has disbursed more than $1 million. Our role in the community as the major provider of emergency services has enabled an objective perspective on the value of these funds and the role this assistance has played in people's lives. The Emergency Food and Shelter funds represent less than 2% of our organization's annual budget, so our experience with other sources of funding is broad and varied. And we have more than two decades of experience in housing programs, operating "bricks & mortar" housing programs as well as "people" oriented housing programs. The Emergency Food and Shelter Program is not a bricks and mortar program; it is a people program.

In Luzerne County during 1993, we provided comprehensive Case Management Services to 1,704 homeless persons. Our Case Management Program tracks the clients from the onset of homelessness, and the reasons for it, until final resolution of the problem, usually permanent, affordable housing arrangements. Our success can be documented by the fact that for 49% of these people, their homelessness lasted only one month or less; and another 43% had secured a permanent housing arrangement within three months; only 7% did not resolve the problem within three months. In Luzerne County the Emergency Food and Shelter Funds are also utilized in a preventive manner. Preventing homelessness certainly outweighs the costs, both financially and emotionally, of resolving it. More than 75% of the FEMA funds spent in Luzerne County is for food, rent, mortgage and utility assistance to maintain individuals and families in their present housing. As is usually the case with prevention programs, the success of the intervention is difficult to evaluate and correlate because the problem does not become manifest. But from our perspective as a service provider, it is evident daily. A major portion of the families we see are in a period of transition—a recent job loss, serious illness or similar misfortune results in a temporary setback. If short-term assistance is provided and they are connected to other services they are soon back on their feet and able to maintain their home. Very few programs are available that can so directly affect preventing homelessness, that our community depends tremendously on the Emergency Food and Shelter Program. Each program year our agency alone provides more than 500 families the means to retain their present homes through the Emergency Food and Shelter Program. If this service were not available, these families would have been added to the ranks of the homeless. We recently completed a study of households receiving FEMA rent, mortgage or utility assistance to ascertain whether the households served in 1992-93 had received the same type of assistance in a prior year; in other words—were the same people coming back year after year? We were very surprised to find that out of 578 households assisted by the Commission on Economic Opportunity, only 18 households, 1.4%, had received FEMA assistance in a prior year. In our judgement, the Emergency Food and Shelter Program is operating just as it should, not an on-going source of assistance, but as a one-time emergency service.

To take this program and move it to the Department of Housing and Urban Development could smother it in bureaucracy and kill its effectiveness and responsiveness. This is not an indictment of HUD, it is just that their way of doing business is so different from the way the Emergency Food and Shelter Program has been administered. HUD handles many initiatives very well, we participate in the Community Development Program, Rental Rehabilitation, several of the Public Housing Programs, Subsidized Housing, Sections 326, 202, etc., but these are housing programs, not people programs. People programs need flexibility and quick responses, needs are different in different areas of the country, and people programs must react quickly to changing needs if they are to remain effective. The National Board Program has maintained flexibility, responsiveness and lack of bureaucracy as the

program's greatest assets. It has a system in place through the Local Board structure to react quickly and provides on going communication with local communities through voluntary organizations to transfer technology, and provide technical assistance in what works well in various places. To have HUD assume this program would mean publishing in the Federal Register, comment periods and then regulations. Let's not institutionalize homelessness! It is an Emergency Program. Once it becomes part of the bureaucracy, it will be managed, not resolved.

Where else in government is there a program in which administrative costs total 3%, so that every possible dollar goes directly to the people it is designed to serve? I, as a program administrator, find it surprising that I could be sitting here saying this, because more often my pleas are for more staff and to save jobs. This is not the case with this program. My testimony on behalf of this program will not provide any new jobs for our organization, save any existing jobs or help preserve anyone's empire. Our administrative allowance pays for nothing more than the annual audit of these funds. Because there is no money for staff or administrative support, the Emergency Food and Shelter Program can only work as part of an existing community system. We must utilize the structures that are already in place because there is no staff or program support. The levels of efficiency and effectiveness enabled by this program are solely a result of the public/private partnership which has been forged by the National Board and replicated to the extent possible on the local level. This network has fostered local priority setting, responsiveness, flexibility and impact. Local Boards are charged with monitoring program services and expenditures, the Board can reallocate funds if needs change, and the structure has made the Emergency Food and Shelter Program an inclusive, rather than exclusive, community program. Each program year provides a fresh opportunity to assess community need, through a coalition of the relevant local organizations, those closest to the need. Institutionalizing the program brings with it a cookie cutter approach . . . program Directors report to Regional Directors, Regional Directors report to Deputy Directors, Deputy Directors report to Assistant Secretaries, etc. There can be no advantage to changing the auspices of the program as far as we are concerned, and so if it isn't broken, why fix it?

I also wish to speak to the responsiveness of the National Board. In addition to the excellent communication system, highlighting potential problems and offering suggestions on changing needs, which I mentioned earlier, they have made accommodations for smaller, more unique local needs by offering states an opportunity to provide funds to areas that the formula does not address through the State set-aside component. In October 1989, Luzerne County did not qualify according to the formula for funding. To our surprise, other areas of the state with less poverty and less unemployment did. Acting on our appeal, the National Board requested the state to offer special consideration to the County in allocating funds until they could determine the reason for our exclusion. Upon investigation, the National Board found that they were inadvertently utilizing an unpublished threshold of a 25,000 workforce. Even though the county exceeded the minimum number of unemployed required to qualify, because of its high elderly population, it did not meet the workforce minimum. As a result of this discovery, the National Board eliminated this part of the procedure, and by January of 1990, the county again received a sizeable allocation. We were impressed with how approachable and reasonable the National Board and the FEMA staff were, and especially with how quickly they responded.

In conclusion, flexibility and responsiveness are two of the key attributes of this unique public-private collaboration, and they must be retained. In our judgement, the National Board and the staff that administer the program have justified the confidence that Congress has placed in them over the past eleven years. The program has a track record of being effective and accountable. There is no compelling reason to fundamentally change a creative and successful program.

Please don't institutionalize homelessness. We need to work to resolve it!

Thank you for the opportunity to present these comments and I hope they have provided some perspective as you undertake your deliberations.

PREPARED STATEMENT OF BARRY DURMAN

I am Barry Durman and I have been the President of the Atlantic City Rescue Mission since 1989. I have worked with the homeless population of Atlantic County for eight (8) years and with alcohol and drug addicted people for nine (9) years prior to that. I count it a real privilege, and I am honored to be asked to present this testimony regarding the Federal Emergency Management Agency's (FEMA) Emergency Food and Shelter National Board Program. It is through the generosity of Peter Boynton and Caesars Casino and Hotel of Atlantic City who paid our travel expenses, that I am able to be here today.

Atlantic County is a unique, yet exciting environment in which to serve homeless people and to observe and evaluate the usefulness of programs such as the FEMA Emergency Food and Shelter National Board Program. Because of the nature of Atlantic City, a tourist destination focused on the gaming industry, it is a microcosm of the world. Comprehensive interagency cooperation is used to meet the overwhelming need. We are in a city with a population of about 34,000 where the Rescue Mission provides service to over 300 people each day. The FEMA Emergency Food and Shelter program serves to enhance the area agencies' ability to meet the overflow needs. It also provides resources to prevent substantial increases in the numbers of homeless through rent, mortgage and food subsidies. In the opinion of the members of the Atlantic County FEMA Board, the system is working well. They are very vocal that any change in the system or in its oversight at this time would only decrease the efficiency and effectiveness of the program.

Single Adults	**Single Parent Families**
2,377 different men	110 families
435 different women	242 children
1,277 first timers	352 total helped in the Family Life Center
2,812 total helped	
State of origin	**Total Meals Served on site**
61% New Jersey *	189,607
14% Pennsylvania	
6% New York	**Total meals served in Food Baskets**
4% Florida	13,860
All other less than 2%	

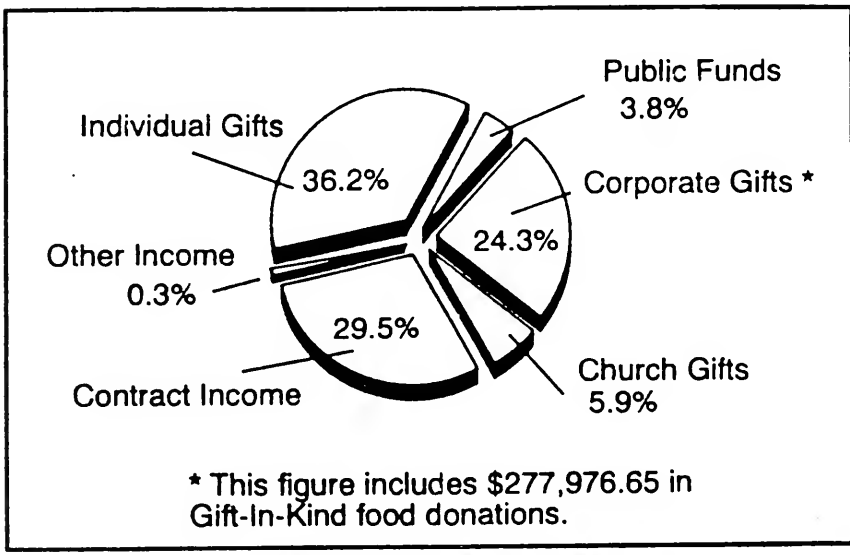
* 25% Atlantic County & 20% Atlantic City.

Atlantic City Rescue Mission
1993 Client Statistics

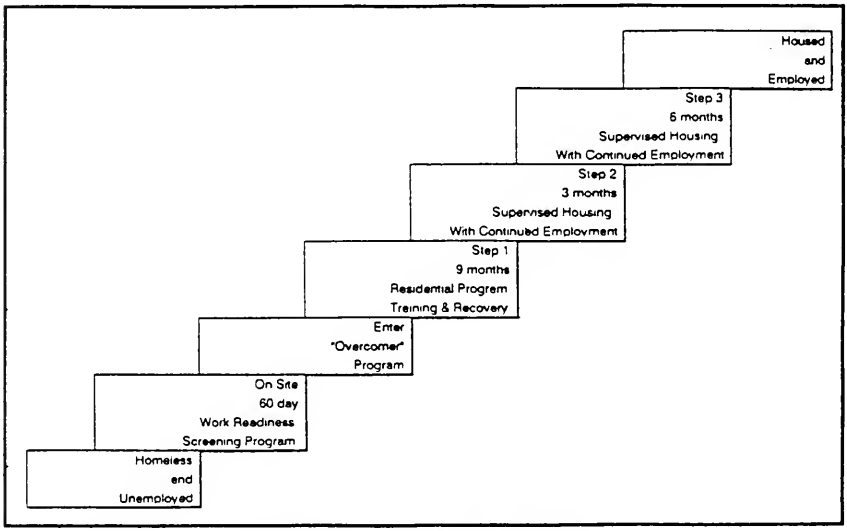
The Atlantic City Rescue Mission was opened thirty (30) years ago with twelve beds in a storefront facility. At the onset of casino development in Atlantic City the need for additional shelter space grew measurably. The growth pattern of the Mission matched the growth in the numbers of visitors to the City. There was a 10% increase in our homeless population as each casino opened. With no casino expansion in recent years we have seen our numbers follow the trend of the tourist trade.

Endeavoring to serve the homeless, we strive for excellence in all we do. This is achieved through high accountability to our donors (66.7% of our income), to our contractors (29.5%) and to those who provide the public funds (3.8%) we use. More importantly it means careful use of all of our resources (money and staff) by serving only those who want the help we provide. Our procedures include a ten day initial service period during which we counsel the client, and confer with other social service agencies. We then develop a mutually acceptable plan to meet their need. If they do not demonstrate a desire for help, through following referrals, a willingness to enter a program, etc., we curtail their services at the Mission. In reviewing our statistics we see that at any point in time, 55% of our client base falls into this group. The other 45% are individuals we can, and will serve in an excellent manner. In-

cluded are those who are mentally ill and/or disabled and who need intensive case management. Also included are those who demonstrate an addiction to drugs, alcohol or gambling but are willing to enter treatment and rehabilitation. The chart below shows how we move people from Homeless and Unemployed to Housed and Employed through our in-house programs of rehabilitation, work readiness and programmed employment.

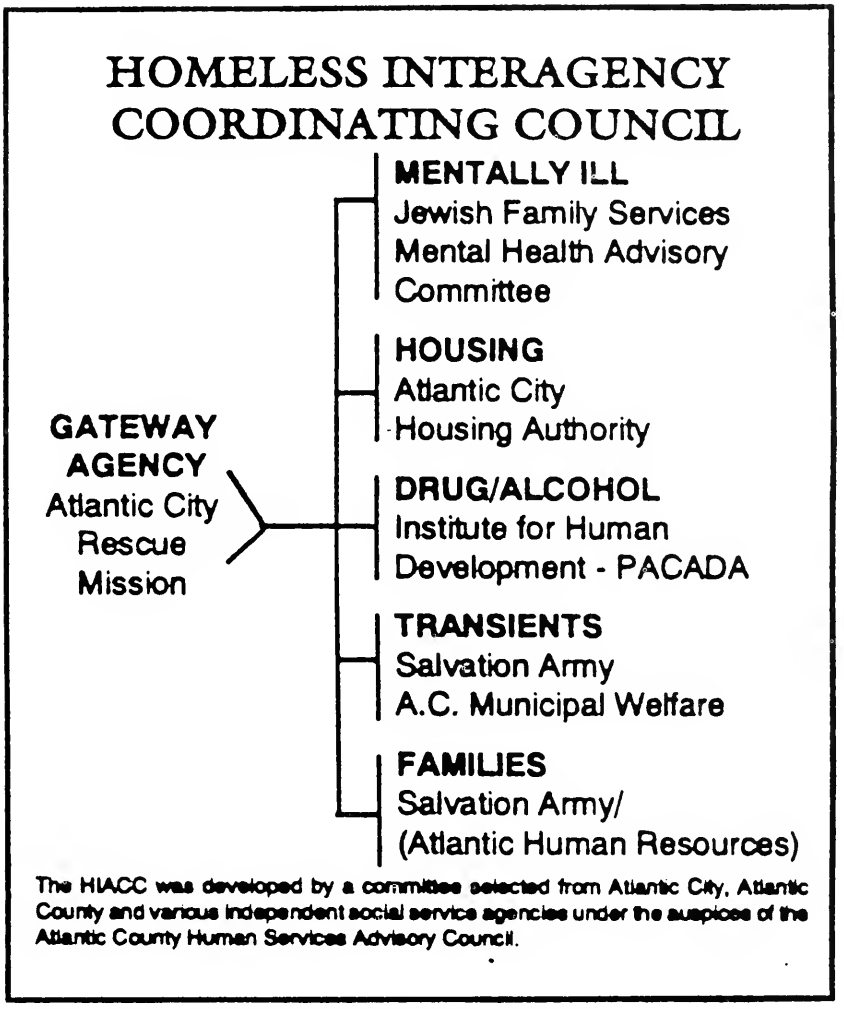


Atlantic City Rescue Mission
1993 Income - $1,728,182



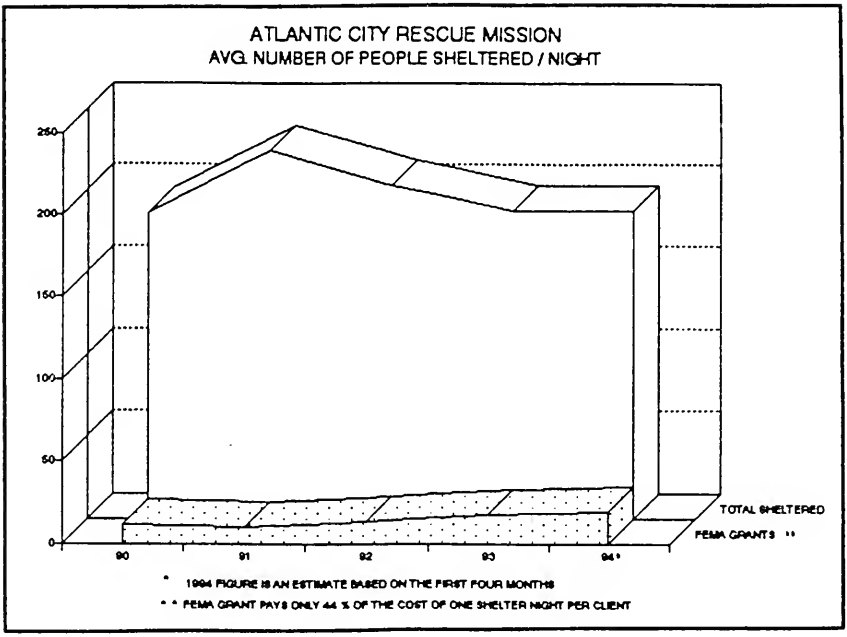
Atlantic City Rescue Mission
In-house Programs

Referrals to other sources of help are managed through the Homeless Interagency Coordinating Council (HIACC). This was established two years ago to handle the process of moving clientele through the maze of social service agencies. The Atlantic City Rescue Mission chairs the HIACC and is the gateway agency for the system. It connects clients with agencies whose specialized services can be focused on the needs of the individual. The next step, which is being developed, is a county-wide interactive computer network. This will enable each agency to access previously compiled information on an individual without duplicating interview time, and matching resources with the need in a more timely manner. Each agency effectively becomes a "one-stop-shop".



Our experience with the FEMA Emergency Food and Shelter National Board Program began in 1989. We currently use the funds allocated to us to provide mass shelter nights. We are paid $10 per night per person. This amount covers 44% of our actual cost per person. As you can see from the chart below, the number of people who benefit from the FEMA grant is a small percentage of the total people shel-

tered, however they are people who would not be served if the grant was not available.



County wide involvement with the FEMA grant, in addition to the Atlantic City Rescue Mission, includes the Salvation Army, the Community Food Bank and the Atlantic County Government. Through the Coordinated Emergency Assistance System, a network that Atlantic County Government uses, the FEMA grant provides shelter for families in emergencies, rent and mortgage payments. These prevent homelessness, and food baskets prevent hunger. The Community Food Bank allocates their grant to the accounts of agencies who have food pantries (including the County, the Salvation Army and the Rescue Mission). This facilitates the provision of food for family food baskets to those at risk of homelessness. The Salvation Army provides shelter for eight people per night. In no way do the FEMA monies cover the entire need. However, there are many individuals helped because we have it.

As I polled various FEMA local Board members and grant recipients, they all had the same answer, "If it isn't broken, don't fix it." What this says is that they are well pleased with the FEMA/United Way/Local Board administration of the program. They feel the present structure provides the ability to be flexible and responsive as needs arise and change. I also heard many comments which reflected concerns about the bureaucracy of the Department of Housing and Urban Development (HUD). Many of us have had experiences with HUD and their interminable paperwork, time consuming audit processes, and many levels of administration which all point toward a slow and cumbersome program. Our opinion is that the Emergency Food and Shelter National Board Program should stay under the Federal Emergency Management Agency.

PREPARED STATEMENT OF GAIL GREGORY

My name is Gail Gregory and I am the Executive Director of the Community Shelter Board, a public-private partnership that coordinates the planning, funding and services for homeless persons in Columbus and Franklin County, Ohio.

I am energized and pleased with the current initiatives to streamline HUD's funding process. HUD's efforts to consolidate its grant making options will give local communities the control and flexibility they require to meet their unique community needs. This local control is a welcomed change. It will enable the Columbus community to better address real community priorities similar to the way Emergency Food and Shelter National Board Program funds are utilized.

The Emergency Food and Shelter National Board Program is an efficient and effective federal program. Its success lies in its foresight to allow funding of prevention programs, its high local community involvement and control, and its flexibility to fill funding gaps.

In Columbus and Franklin County, Ohio, the funds are allocated by a voluntary community board. As with similar boards around the country, this board exemplifies the bottom-up communication approach to meeting community needs. The local board is staffed by the area's United Way and is composed of influential community leaders, interested community members, representatives from local non-profit agencies and consumers. In order to meet area priorities, the local board has historically allocated 80 percent of the funds toward fighting homelessness and 20 percent to support the local food bank.

The 80 percent of the Emergency Food and Shelter National Board Program funds used to fight homelessness are not used as "Band-Aids" that prolong a household's housing crisis. Instead the dollars are used to fight homelessness by preventing it.

The Emergency Food and Shelter National Board Program funds are one of the few flexible federal grants local communities can award to prevent homelessness. Last year our community's local board allocated approximately $300,000 to keep 941 households housed. Our program provides households at-risk of homelessness with one month of rent or mortgage assistance. This financial assistance keeps these households from becoming homeless while they wait for a first paycheck, SSI procurement, a pension payment, or while they recover from a financial set-back such as a loss of job or an unexpected emergency.

Sixty thousand dollars of this $300,000 allocation was used to leverage in excess of $270,000 locally to create an intensive Homelessness Prevention Program that has changed the paradigm of service in the Columbus area. This program, which served an additional 790 households last year, started when the community realized that many low-income households needed more than just one month of financial assistance to get back on their feet. Our local Homelessness Prevention Program can provide up to three months of rent/mortgage and utility assistance so that these households are able to permanently become self-sufficient. This program also involves intense case management services which include tenant-landlord mediation, home management and budgeting classes, substance abuse counseling, advocacy, and outreach services that address the causes of the household's crisis.

These prevention programs offer immediate, practical and cost-effective solutions to fight homelessness. They save the community money by decreasing the need for additional emergency shelter beds and facilities. Furthermore, by implementing prevention strategies, the program reduces the cyclical affects of homelessness.

The results of the program are measurable. While many cities are increasing their supply of shelter beds, Columbus has maintained its number of emergency type beds at the 1991 level. Additionally, 87 percent of the clients responding to a client service evaluation said that after receiving assistance their household problems "became less." In their comments some of the clients said:

- "You just don't know how thankful I am, words can't say it. If it had not been for FEMA, I would not have made it. I was at the end of my rope."
- "If it hadn't been for people like you who cares we've been out on the street."
- ". . . it helped keep my landlord and me in good standing and a roof over my and my kids' heads."

The remaining 20 percent of the funds, or nearly $72,000, are allocated to the local food bank to purchase food products that have not been donated or that are critically needed. The food bank system in central Ohio is extremely strong; however, from January through April the system is significantly drained and requires financial assistance to maintain necessary food supplies.

You can see that the program's efficiency and effectiveness lie in its foresight to fund prevention programs, its high local community involvement and control, and its flexibility to fill gaps in funding. Its efficiency and effectiveness also lie in its low administrative costs. Only two percent of the funds that our community, or any community in the country, receives can be used for administrative expenses. The administrative cost of the program in Franklin County is only $7,272.74 dollars. While an administrative fee of this size is not recommended for most federally funded programs of this stature, the two percent administrative fee has been manageable because the community can choose its local fiscal agent and administrators and weave the program's administrative costs into other similar programs. This saves the Federal government millions of dollars in administrative costs nation wide.

Overall, the Columbus community's experience with the Emergency Food and Shelter National Board Program has been positive. The Columbus community is impartial about moving the program to the Department of Housing and Urban Development as long as the intent of the program remains the same. However, if the move entails program changes that would include specific funding guidelines such as a requirement stating that 50 percent of the allocations must be spent on food, or if the Emergency Food and Shelter National Board funds could no longer be leveraged with other federal funds or if local control is taken away, the change could be disastrous as the program will lose its bottom-up approach that makes it so effective and efficient.

The Columbus community, like many other communities across the country, has a strong and accountable track record of using these funds to appropriately address real community needs. The Emergency Food and Shelter National Board Program is an excellent model of a federally funded program that has been developed and implemented locally to address community funding priorities. It is actually an archetype of the bottom-up approach to meeting individual community needs that Washington heralds and we see illustrated in the move to reinvent HUD's homeless programs.

As you continue your work to evaluate this program, please remember that the program's process—its local control, its flexibility, its bottom-up approach and its ability to be leveraged with other federal funds—is what makes the program's outcomes so effective and efficient. With all of its original intentions left intact, this program should be reauthorized by Congress and exemplified as a model for other programs.

This was a brief overview of our homeless prevention program. It has taken the community several years to develop and successfully implement these programs. If you need additional information or if you have any questions about our programs, please feel free to ask.

PREPARED STATEMENT OF ANNE E. KOHLER

I am here to tell you about the crisis of hunger that is going on in New York City, To describe the emergency feeding program I work for, Neighbors Together Corporation, and to put a face on Hunger. And finally, to hopefully convince the Committee on Governmental Affairs to not only reauthorize the FEMA Food and Shelter Program for the 1995-96 fiscal year, but to reauthorize it at a much higher funding level. The current hunger and homeless crisis has reached a level never before seen in New York City. We as a society have an obligation to our poorest members. Lets make Food and shelter a right . . . not a privilege.

History of Neighbors Together:

Neighbors Together, a private non-profit (501-c-3) corporation opened their soup kitchen doors 13 years ago by a group of Catholic Nuns (Daughters of Wisdom and the Sisters of St. Dominica) who felt it imperative to address the tremendous poverty in the Brownsville, Bedford Stuyvesant, East New York, and Bushwick areas of Brooklyn, NY. It is located in community district 16, one of the poorest districts in the New York City area where the poverty rate is at 41.4%[1] In the first week

[1] U.S. Census, 1990 STF3.

of operations the sisters fed 76 people, today we feed an average of 2,500 meals a week. An increase of over 3,200% since 1982! Neighbors Together is the second largest emergency feeding program in Brooklyn. Operating in a run down former storefront bakery that seats 24 people when it is filled to capacity, the soup kitchen serves from 400 to 1,000 people each weekday. Accommodations are less than ideal. There is only one window in the agency, and air conditioning is a luxury that can not be justified. Indoors the summer temperature hovers around 100 degrees. Pipes often leak, clients have, an average of about 6 minutes to eat, and there are no bathroom facilities for clients. The old and the young wait in line in the rain, the heat and the snow, sometimes up to an hour for a meal. For those who have no place to call home the soup kitchen is as close as it gets.

In the 1992/93 fiscal year Neighbors Together provided 110,000 meals with a budget of $155,000, two paid staff members, and one stipended volunteer. Neighbors Together never turns anyone away; its first priority is to feed all who are hungry. Like most soup kitchens and feeding pantries, we are sorely underfunded, lack proper equipment and basic resources. We continuously operate in an atmosphere of uncertainty as to where the finances to stay open will come from. This scene is replicated throughout the emergency food network of NYC: over 750 soup kitchens and food pantries, most of them run by churches, synagogues and mosques. The religious community can no longer carry the burden of our nations poor.

With deep roots in the community Neighbors Together is in an ideal position to address the many social problems underlying hunger. While feeding an average of 500 people a day, we provide counseling, refer clients to shelters, hospitals and educational programs, and provide linkage to local social service agencies. Neighbors Together helps people find affordable housing, fight evictions and receive government benefits to which they are entitled. Empowering the individual towards self-sufficiency is a top priority. In addition we offer a children's lending library, second hand clothing, TB testing, AIDS/HIV education and outreach, and 12 Step Recovery Group meetings.

Virtually all Neighbors Together clients are members of minority groups with roughly 85% African American and 15% Latino. It is located in the second poorest district in Brooklyn, where 42% of the households receive welfare and 36% are headed by women. Approximately 16% of Neighbors Together clients are disabled. 80% of our clientele are homeless. Those who have apartments spend almost all of their income on rent. Many work part time or seasonally. A large portion of the community lacks the education, skills, and opportunities to participate in the economic life of the city. The recent national recession hit New York City hard, and our community was drastically affected. Many clients with skills and experience have been laid off and cannot find work. All of this adds up to an impoverished urban community in great need of the services that Neighbors Together provides. Unfortunately the community is also poor in terms of programs to help those in need, magnifying both the importance and impact Neighbors Together is able to make in the lives of its clients.

Hunger in New York City and the Role of Emergency Food and Shelter Services in the Fight Against Hunger

As the state of the economy declines the soup and bread lines grow. The newspapers say that the economy is improving but we don't see that in East New York and Brownsville Brooklyn. The New York City hunger crisis is now over 13 years old. Starting in the early 1980's as more and more New Yorkers were forced into poverty by falling wages, rising housing costs and cutbacks in social programs by the City, State, and Federal governments. A grassroots network of soup kitchens and food pantries became the main response to growing hunger.[2] In 1981 there were 30 emergency feeding programs in New York City. Today there are over 750. This number does not include the many small pantries run by practically every church. These programs now provide 35 million emergency meals a year. Soup kitchens and food pantries represent a final, thin overburdened line of defense against a hunger

[2]The Plight of Voluntary Emergency Food Providers Rising Need, Shrinking Resources" NYC Coalition Against Hunger, NY, NY 1993.

crisis. And still they turn people away. Soup kitchens and food pantries continue to feed more and more people, struggling to do it with fewer resources. Many have closed because they have run out of money and food. A 1992 survey by the New York City Coalition Against Hunger found that NYC soup kitchens and food pantries were forced to turn away 38,000 hungry people and families a month for lack of food and other resources. "For these New Yorkers there was no soup at the soup kitchen—the place of last resort."[3]

*In NYC the crisis has risen an incredible 2,500% over the past 10 years!

*Today there is a record number of New Yorkers on Food Stamps and Public Assistance. Well over 1 million (50% are children). Another 1/2 million are eligible for food stamps but are not receiving them. The reality is that millions of children, elderly, disabled, unemployed, and working poor New Yorkers are barely subsisting. Many are suffering from hunger or are undernourished because they cannot afford enough nutritious food or cannot eat regularly. The average Food Stamp allotment per meal is 84 cents! An analysis published by the New York City Coalition Against Hunger entitled, "Crisis in Eighteen Days" lays out in simple math the fact that families on welfare and foodstamps run out of money around the third week of every month. This is clearly evident, and to prove this all one has to do is visit their local soup kitchen or food pantry during the last week of the month.

*Emergency food providers dispense approximately three million meals per month to between 350,000-400,000 unduplicated individuals, not including meals served to the homeless families and individuals at New York City operated and contracted shelters.[4] (See enclosed HRA Facts for Food Stamp and Public Assistance increases from 1989 to 1994)

NYC has lost hundreds of thousands of jobs (more than 400,000) in the last few years. Unemployment is at 8.4%. Many types of people suffer from hunger, it is not just the crack addict and Bowery street homeless man. Women, children, single adults, families, the elderly, and an increasing number of people who have been employed most of their lives and no longer can find jobs that pay the bills. Individuals who can no longer put food on the table for themselves and their children. The Emergency Food and Shelter Program is an essential link in combating this plight.

Private and government surveys conducted throughout the last decade document dramatic increases in the demand for emergency food. A national level study on hunger released by Second Harvest revealed that 10.4% of the population, or a staggering 25,970,319 Americans, rely on food pantries, soup kitchens, and homeless shelters. Moreover, 45.5% of these people did not expect to need assistance three months ago.[5]

The U.S. Conference of Mayors has documented an annual increase in the demand for emergency food in major cities across the nation since 1983. In 1993, requests for emergency food increased in the survey cities by an average of 13 percent. The number of families with children requesting assistance increased by 13 percent. Two out of three persons requesting emergency food assistance were members of families.[6]

What Impact the FEMA Emergency Food and Shelter National Board Program Has Had on Neighbors Together Corporation

FEMA's Emergency Food and Shelter Program is a critical component of supplemental funding to Neighbors Together. Our organization utilized FEMA's EFSP funds to supplement and extend our ongoing services. Our 1992/93 award ($34,052) enabled our soup kitchen to serve an additional 17,543 hot nutritious meals ($27,542×$1.57 per meal): meals that otherwise would not have been served. Another very important component is that our FEMA funds enabled us to supplement our meals with fresh fruits and meats at least once a week. Finally we were able

[3] New York City Coalition Against Hunger, "Interfaith Voices Against Hunger: Our Goals for 1994:, NY, NY, May 1994.

[4] Krueger, Liz, Community Food Resource Center, " Testimony to New York City Council General Welfare Committee," Community Food Resource Center, NY, NY, November 1993.

[5] Second Harvest, "Comprehensive Study on Hunger in the United States," Chicago, Ill. March, 1994.

[6] U.S. Conference of Mayors, 1994.

to purchase paper products necessary in the delivery of our meals. FEMA XII will enable our soup kitchen to serve an additional 19,322 meals for year 1993/94. The loss of EFSP funds to this specific organization would be devastating as the numbers of meals served and the days of operations would be dramatically reduced. Families and individuals would be forced to lower their consumption of food or seek out alternative means to obtain enough food for themselves and their families. Many of the clients we serve are nutritionally at risk (undernourished, HIV positive, pregnant). The effects on their health of compromising their diet even more would be disastrous.

Hunger is one of the most underfunded social crises we have in the United States today. Over the years FEMA has been a major source of income for New York that has allowed us to partially meet the ever increasing needs within our urban community. The program has been consistent, timely and reliable. However, it is important to note that the FEMA Emergency Food and Shelter Program's supplemental funding levels have not kept up with hunger in New York City.

	National	NYC
FEMA I Funding 1982-83	$ 50 Million	$2,474,502
FEMA XI Funding 1992-93	$129 Million	$4,780,708

In a period when the numbers of soup kitchens and food pantries increased by 2,500% in NYC, FEMA Emergency Food and Shelter funding levels have increased by only 210%—ten times less than the need!

What Kind of Impact Would Lost Funds Have?

Programs like Neighbors Together that are struggling desperately need the federal government to acknowledge our record levels of hunger today. 750 Emergency Feeding Programs did not spring up in NYC because there were huge pots of money to be found in feeding the hungry. The exact opposite is true. Hunger is extremely underfunded, and often not even acknowledged. According to J. Larry Brown, director of the Center on Hunger, Poverty and Nutrition Policy at Tufts University, well over 30 million Americans are going hungry today. But, when Second Harvest announced recently that over 10% of the American population used emergency feeding programs in 1993, Robert Rector, a welfare analyst with the Heritage Foundation commented: "It's not surprising that 10 percent of the Americans public is lining up to get free meals. But it doesn't mean their malnourished. The more welfare assistance you give to people, the more dependence you have." This is the thinking emergency food programs like mine have to deal with. It's wrong and it's destroying people's lives.

If everything remained the same given that the same sources of income came in as well as the same amount of hungry clients we would have to reduce our capacity by 24% which means that we would have to serve about 24,000 less meals per year. In other words we would have to shut down the soup kitchen 2 days a week thereby reducing our days of operation to three days per week. We would also have to make cuts in the amount of fresh fruits and frozen vegetables we use, resorting to canned fruits. This would have an immediate and disastrous effect in the community we serve.

Nutrition is especially important to the people we serve. Our clients include the poor, homeless people, people with AIDS, pregnant women, small children, alcoholics, drug abusers and many senior citizens. These groups which have flooded hospital emergency rooms with tuberculosis, pneumonia and other illnesses. Malnutrition makes these groups even more vulnerable. Nutrition provides a basic and vital defense against sickness. Neighbors Together is the second largest soup kitchen in Brooklyn and is one of the only emergency feeding programs in the area that operates a full five days a week. Most are open 1 to 3 days. This would mean our clients would have to once again locate another feeding program outside of the area in which they live. Seeking programs that were in operation on the days that we would have to shut down. To leave the area would force them to come up with the money for two subway tokens ($2.50): money they don't have any more than they have to purchase food.

We would have to reduce our staff of three full time employees to 1 full time and one part time. An additional loss would he catastrophic to the functioning of the organization.

*Total government funding for 1993 (city, state and federal combined) for emergency feeding in New York City was $8,633,774.[7]

*Total governmental funding per emergency meal served—28.78 cents.[8] The NYC average cost per emergency meal is $2.00.

*Percentage of total hours provided by volunteer labor—68.69%.[9]

The NYC emergency feeding network is a vast fragile, uncoordinated, inefficient service network, often reliant on volunteers to a unique degree, which nevertheless is providing 35 million meals a year at bargain-basement rates. We are not "business as usual." There are small budgets, poor salaries, unpleasant working conditions, overworked and committed staff who are working towards feeding the hungry and eradicating hunger in the richest country in the world. We struggle daily to raise the operating funds to keep our doors open. In this struggle, the loss of FEMA Emergency Food and Shelter funds would spell disaster.

How it would save money in the long run: The cost factor . . . neglecting our nations future.

Pregnant women with inadequate nutrition give birth prematurely to low birthweight babies.[10]

Children who go without breakfast and lunch can not focus in school and have documented lower growth rates.[11]

The elderly poor are particularly vulnerable to the effects of hunger and malnutrition, risking illness and the need for hospitalization.[12]

The infant mortality rate is closely linked to inadequate quantity or quality in the diet of the infant's mother. The United States ranks 21st among the developed nations in preventing infant deaths, down from 16th in 1980. Black infants in the U.S. die at nearly twice the rate of white infants.[13]

Recent research provides evidence that undernutrition during any period in childhood can have detrimental effects on the cognitive development of children and their later productivity as adults. Undernutrition in children impacts behavior, school performance and their overall cognitive development.[14] "Child hunger, defined by inadequate nutrition intake during the early years, is capable of producing progressive handicaps-impairments which can remain throughout life."[15] The cost to society? Undernutrition results in lost knowledge, brain-power and productivity for the nation. Because nutritionally deprived children are unable to fully benefit from schooling, this in turn diminishes their potential as adults. "This is a cost the nation pays indirectly through lost contributions, and directly through the provision of additional social welfare services."[16] Another enormous cost to our nation as the associated medical expenses related to poor nutrition."

The cost of nutritional deficiency in the long run is much more than the cost of eradicating hunger today. The country is clearly already paying a dear and heavy price.

Chronic hunger directly contributes to the nations expensive health care dilemma, an example is low birth weight babies. "Health care for fragile infants is astoundingly expensive, and those 'start-up' costs only grow when children continue to be

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[7] Food & Hunger Hotline "Releases On Hunger and Government Funding in New York City," National data compiled by Hunger Action Network of New York State, 1994.

[8] Ibid.

[9] Ibid.

[10] Kruger, Liz, "Testimony to the New York City General Welfare Committee," Community Food Resource Center, NY, NY, November 1993.

[11] Ibid.

[12] Ibid.

[13] Campaign to End Childhood Hunger, "Hunger in the United States," Washington, D.C., February, 1994.

[14] Dr. J. Larry Brown, Center on Hunger, Poverty and Nutrition Policy, Tufts University School of Nutrition. Statement on, "The Link Between Nutrition and Cognitive Development in Children" 1944.

[15] Ibid.

[16] Ibid.

hungry and fail to thrive during their growing years."[17] For every dollar spent to feed hungry mother or child, the government can save four dollars it now spends on costs related to the health problems of low-birth weigh infants and malnourished children.[18]

Why Are People Hungry?

People are going hungry because they cannot afford to buy food. In New York City, 24.4% of the population falls below Federal Poverty Level.[19] It is important to note that the NYC poverty level is set at 125% of the Federal Poverty Level due to the tremendous increased cost of living in the city. 43% of all children in New York City are living in families with annual incomes below this level. 32% of the elderly (65+) in New York City are living below this level.[20] An annual income below the Federal Poverty Line means a life of deprivation, suffering and continuing risk of hunger in New York City. About 40% of New York City working poor earn the minimum wage, and approximately half of them are their households principle wage earners. Most of these workers are from families with incomes of less than $7,000 a year. An additional 19% of the working poor earn just above the minimum wage.[21] Chronic hunger has become a reality to the city's most vulnerable citizens.

It is easy to illustrate poverty in dollar figures:

For July 1993-June 1994 income levels (125% Federal Poverty Level are):

1 Family member	$ 8,712 annual gross income
2 Family members	11,787 annual gross income
3 Family members	14,862 annual gross income
4 Family members	17,937 annual gross income
5 Family members	21,012 annual gross income

What these figures represent are families—men, women, the elderly, and children existing in substandard living conditions. The clients we serve at Neighbors Together fall below the Federal Poverty Level. Our clients consist of: working poor, single mothers with children, long term unemployed single men (part of the blue collar work force where many of the jobs have disappeared), married families with children, senior citizens, the mentally ill, the disabled and the handicapped. Some are illiterate, some are college educated, some are chemically dependent, some worked all of their lives only to find that in old age the safety net has begun to crumble beneath their feet. These are the people who visit soup kitchens and food pantries, and live in homeless shelters. The forgotten people, many are seen as today's social castaways.

These people face very real and very difficult economic choices: to pay the rent or put food on the table, a mother to have only one meal a day so infant formula can be purchased (only 56% of those eligible for WIC receive it). Cold hard decisions such as "should we pay the utilities or can we risk another month without heat before it gets too cold? If a child needs new shoes and medication, but one cannot get both, . . . what does one choose? Toilet paper or laundry detergent? How about neither because if we don't get subway tokens we can't go to work." If the choice lies between food and shelter, shelter usually wins. Soup kitchens and food pantries are the last line of defense for the poor in New York City.

The increase in the numbers is very evident. The cost of neglect is dear. The federal government must take immediate action. The problems of hunger and homelessness are not going to disappear. It is time to start looking at the victims as human beings, as children, and grandmothers, men and women who are valuable human resources, not statistics. We have lost a generation of people. Please respond to the social decline of our city's and our country before it is to late.

Finally, to comment on the Administration budget proposal to move the Emergency Food and Shelter National Board Program from FEMA to the Department of

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[17] Clarke, Kevin, "Salt" Growing Hunger. Utne Reader, November December 1993.

[18] Ibid.

[19] Current Population Survey, NY City Figures, NY, NY, 1992.

[20] NYC HRA Office of Policy and Economic Research, "Children with Incomes below Selected Levels" and Population Age 65 and over With Incomes Below Selected Levels," NY, NY 1987.

[21] Barbaro, Hon. Frank J. "It's time for N.Y. To Increase the Minimum Wage." N.Y.S. Assembly Labor committee, May 1988.

Housing and Urban Development. A vast knowledge of HUD's internal operations is not necessary to predict that hunger may be "pushed off the plate" when competing with homelessness and housing. All hungry people are not homeless! There is also the fear that the administrative work involved in the "new" grant writing process would eliminate additional grassroots organizations from applying for funds due to lack of staff available to work on proposals. The current procedure for applying and utilizing FEMA funds is relatively simple when compared to other governmental grants.

Derek Wheeler
Executive Deputy Administrator
Policy &
Financial Management

Swati Desai
Director
Data Analysis and
Research - OPFM

Marva L. Hammons - Commissioner
Human Resources Administration

HRA FACTS: APRIL 1994

PUBLIC ASSISTANCE	MARCH 1994	FEBRUARY 1994	MARCH 1993	MARCH 1989
Public Assistance Recipients	1,136,383	1,115,219	1,068,030	821,140
AFDC	834,146	822,592	777,565	663,188
PG ADC	72,370	71,092	81,879	NA
HR	229,867	221,535	208,586	157,952
Public Assistance Cases	551,941	539,817	516,406	353,166
AFDC	308,685	304,764	289,871	228,628
PG ADC	26,476	25,772	29,183	NA
HR	216,780	209,381	197,352	124,558
Public Assistance Children	578,318	570,305	551,724	465,296
AFDC	539,371	532,454	508,527	439,530
PG ADC	36,203	35,692	40,612	NA
HR	2,745	2,189	2,585	25,766
Total Public Assistance Gross Expenditures	$252,386,361	$239,838,126	$235,495,482	$158,650,461

	MARCH 1994					MARCH 1993					MARCH 1992				
	1	2	3	4	ALL	1	2	3	4	ALL	1	2	3	4	ALL
Total[a] Maximum Public Assistance Grant by Household Size	$352	469	577	688	NA	$352	469	577	688	NA	$352	469	577	688	NA
Maximum Shelter Allowance	$215	250	286	312	NA	$215	250	286	312	NA	$215	250	286	312	NA
Average[b] Public Assistance Grant by Household Size	$325	432	528	624	441	$320	425	516	614	438	$339	421	515	613	445
Average Shelter Allowance:Private only	$228	244	274	295	251	$228	236	264	285	246	$223	233	261	282	244

Public Assistance Households in Private Housing with Shelter Allowance at Ceiling	MARCH 1994	MARCH 1993	MARCH 1992
	76.4%	74.9%	72.7%

SSI	MARCH 1994	FEBRUARY 1994	MARCH 1993	MARCH 1989
SSI Recipients	340,452	339,387	313,443	233,629
Aged	101,671	101,634	98,617	73,650
Blind	2,040	2,039	2,061	2,247
Disabled	236,741	235,714	215,565	157,532

FOOD STAMPS	APRIL 1994	MARCH 1994	APRIL 1993	APRIL 1989
Food Stamp Recipients	1,408,211	1,392,691	1,303,061	980,461
Public Assistance	1,124,786	1,112,547	1,047,631	799,320
Non-Public Assistance (including SSI)	283,425	280,144	255,430	181,161
Food Stamp Households	667,129	659,446	610,139	426,492
Public Assistance	481,855	475,463	441,888	299,066
Non-Public Assistance	78,775	77,236	70,496	46,966
SSI	106,499	106,747	97,755	80,460

	MARCH 1994	FEBRUARY 1994	MARCH 1993	MARCH 1989
Value[c] of ATPs Redeemed Per Person	$73.95	$74.41	$72.34	$50.82

AIDS RECIPIENTS	MARCH 1994	FEBRUARY 1994	MARCH 1993	MARCH 1989
Total AIDS Recipients	16,538	16,456	13,204	2,627
Males	10,794	10,764	9,183	2,149
Females	5,105	5,065	3,665	429
Children	640	627	356	49

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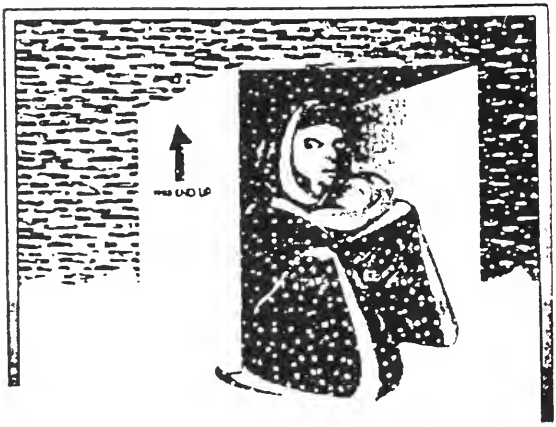

GOD BLESS THEM ALL

God Bless the homeless
who live on the street.
Without a warm bed
or shoes on their feet.

They have no shelter.
from rain.cold or night.
And no one will offer them.
comfort or light.

God bless the hungry
with too little to pay
To feed all their children.
day after day.

They get no respect.
their dreams don't come true.
They do the work
that other's won't do.

God bless the aged. the sick
and the lame
Who silently suffer
with no claim to fame.

-Rosalyn A.
1993

STATEMENT OF FRED GERVASI

Good morning Mr. Chairman and members of the committee. I am Fred Gervasi, General Manager of Public Policy and Planning for the American Red Cross, a private, nonprofit organization whose mission is to provide relief to victims of disasters and help people prevent, prepare for, and respond to emergencies. We fully support reauthorization of the FEMA Emergency Food and Shelter Program (EFSP), Title III of the Stewart B. McKinney Homeless Assistance Act. As both a participant on the EFSP National Board and a recipient of local funds, the Red Cross has a great understanding of the need this program serves.

FEMA has calculated that during the last eleven years, the EFSP has distributed well over $1 billion to fulfill its mission of supplementing and extending ongoing efforts to provide shelter, food and supportive services to meet emergency food and shelter needs caused by economic conditions. Since the program operates on less than 3% administrative costs, almost all these funds have provided direct aid to individuals and families who are homeless or in danger of becoming so.

We believe the program's operating principles are the key to its success. Namely, fast response; allocations to she neediest areas; public-private cooperation; minimal but accountable reporting; and local decisionmaking. Of these principles, the ability to respond quickly and the local autonomy—allowing those at the grassroots level to decide the needs that must be addressed in their own communities—have been the most essential.

Given its demonstrated effectiveness, we would like to see the program remain in FEMA and continue to operate in the same manner as it has for the past 11 years. We fear that moving the EFSP to another federal agency could jeopardize its ability to do so. The unique partnership which makes this program so exceptional also might be at risk. It is, therefore, imperative that the program continue to operate under the same principles, regardless of which federal agency houses the program.

Many of the nearly 2,000 American Red Cross chapters around the country serve on local EFSP boards. Additionally, hundreds of Red Cross chapters receive EFSP funds to support needed services to the homeless. They use these funds for the most basic aid—food, assistance for rent, mortgage and utilities, and group shelter. An average of 370 Red Cross chapters participate in this program annually.

For example, the Trumbull County Chapter of the American Red Cross in Warren, Ohio, which has participated in this program since it began in 1983, is one of four local organizations that receives EFSP funds. The Red Cross works collaboratively with the Salvation Army, Catholic Community Services and Christy House (a local shelter) to provide needed shelter, food, and funds for back rent to prevent people from becoming homeless or to pay the first month's rent to secure a permanent home. EFSP funds do make a difference. Without the $12,500 it received last year, the Trumbull County Red Cross Chapter would not have been able to provide assistance to over 100 homeless or soon-to-be homeless neighbors, or to refer them to other EFSP-supported services in their community. This year's grant of $17,690 will allow the chapter to assist even more people.

Yet, sadly, the need for homeless services and the supplemental assistance provided by the EFSP continues to grow. A recent survey conducted by the National Board found that the majority of local boards do not have enough money to fund the requests of local agencies. Those agencies currently may be turning away homeless individuals and families in need of services, or soon will be forced to do so. In the face of budget cuts in state and local social service programs, the local boards and agencies agree that these demands will increase even more in the year ahead. It is clear that the Emergency Food and Shelter Program must continue to supplement the efforts of local communities to meet these escalating needs.

With the participation of over 10,000 private organizations and representatives of local government, the American Red Cross believes this program is one of the best examples of public-private partnerships available. We urge this committee to support continuation of the Emergency Food and Shelter Program and to authorize sufficient funding to achieve the program's goals.

We thank you for the opportunity to present our views on this important issue.

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ISBN 0-16-046140-5